

# **DLF LIMITED**

**Board of Directors**

Mr. K.P. Singh  
Chairman  
(Whole-time Director)

Mr. Rajiv Singh  
Vice Chairman  
(Whole-time Director)

Mr. T.C. Goyal  
Managing Director

Ms. Pia Singh  
Whole-time Director

Mr. Kameshwar Swarup  
Executive Director-Legal  
(Whole-time Director)

Non-Whole Time Director

Mr. G.S. Talwar

Brig. (Retd.) N.P. Singh

Mr. B. Bhushan

Mr. D.V. Kapur

Mr. K.N. Memani

Mr. M.M. Sabharwal

Mr. Ravinder Narain

**Company Secretary****Registered Office**

Mr. Hari Haran

Shopping Mall, 3rd Floor,  
Arjun Marg, Phase – I,  
DLF City, Gurgaon- 122 002  
(Haryana)

**Head Office**

DLF Centre, Sansad Marg,  
New Delhi-110 001

**Statutory Auditors**

M/s. Walker, Chandiok & Co  
Chartered Accountants,  
41- L, Connaught Circus, New Delhi-110 001.

**Registrars & Transfer Agents**

M/s Karvy Computershare Private Limited.  
Karvy House  
46 Avenue 4, Street No.1,  
Banjara Hills,  
Hyderabad-500 034  
Tel # 040-23420818, 23420828,  
Fax : 040-23420814  
Email : mailmanager@karvy.com

(Name of the Company changed from 'DLF Universal Limited' to 'DLF Limited' vide SRN A00344994  
dated 27/05/2006 issued by the Registrar of Companies, NCT of Delhi & Haryana)



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# Directors' Report

*Dear members*

The Directors are pleased to present the Forty-first Annual Report on the business and operations of the Company and Audited financial accounts for the financial year ended 31st March, 2006.

## Financial Results

	2005-2006	2004-2005
Gross Operating Profit	49,795.24	13,335.20
Less : Finance Charges	14,614.57	3,307.28
Profit before Depreciation & Taxation	35,180.67	10,027.92
Less : Depreciation	390.20	339.86
Profit before Tax	34,790.47	9,688.06
Less : Provision for Tax	12,046.68	2,918.43
Profit after Tax	22,743.79	6,769.63
Balance as per last balance sheet	31,701.77	25,884.82
Prior Period Items	–	0.67
Earlier Year Items :		
Income Tax	107.79	(0.35)
Transfer from :		
Capital Reserves	699.51	5.66
Profit available for appropriation:	55,252.86	32,660.43
Appropriation:		
General Reserve	2,700.00	800.00
Proposed dividend on Equity Shares	155.33	140.32
Tax on Dividend	21.79	18.34
Surplus carried to Balance Sheet	52,375.74	31,701.77
	55,252.86	32,660.43

## Dividend

Your Directors are pleased to recommend the payment of dividend @ 40% on the face value of equity shares of the Company for the financial year ended 31st March, 2006. The equity shares issued upon conversion of the debentures shall be entitled for pro-rata payment of dividend. However, the bonus shares allotted on 2nd May, 2006 shall not be taken into account for payment of dividend for the financial year 2005-06.

## Review of operations and future outlook

The year 2005-2006 witnessed exciting expansion and growth across all the business verticals of the Company. Most noteworthy amongst these was the Company's national expansion through land acquisition of major land banks in all the metro cities and urban centers in the Country.

Acquisition of 17.4 acres NTC mill land in Lower Parel, Mumbai through bidding for constructing a high end family entertainment center, expansion of activities in cities such as Hyderabad, Cochin, Mumbai besides significant development in the national capital, Delhi for developing high end office and retail space demonstrated the Company's intent to actively participate in the growing market demand for quality real estate development across the country. The Company also successfully launched its 'by invitation' premium luxury segment housing property 'Magnolias' adjoining the DLF Golf and Country Club, in Gurgaon.

Another landmark development was the strategic tie up with Laing O'Rourke, UK for tapping the growing demand in the areas of infrastructure, expressways, etc. The Company also expressed its intent to grow in the potentially strong business area of developing SEZs by obtaining approvals from the governments of Punjab and Haryana. Given its attractive growth potential and expansion plans the Company also worked and progressed on its plans to go public during the ensuing year.

## Subsidiary companies

During the period under review, 47 companies became subsidiaries of your Company. A statement showing details of subsidiaries, in terms of Section 212 of the Companies Act, 1956, is forming part of this Annual Report.

## Directors

In accordance with the Articles of Association of your Company, Mr.

Rajiv Singh and Ms. Pia Singh Directors, retire by rotation and being eligible offer themselves for re-appointment.

Further, due to pre-occupation, Mr. J.K. Chandra, and Mrs. Renuka Talwar, Directors of the company resigned from the Board of Directors with effect from 10th April, 2006 and 27th April, 2006 respectively. However, in view of their valuable contribution to the affairs of the Company, they were requested to continue as employees designated as Senior Executive Director – Projects and 'Director – International Affairs', respectively of the Company. The appointment of Mrs. Renuka Talwar is subject to the approval of the shareholders and the Central Government, being relative of directors of the Company.

Mr. K. Swarup was appointed as Additional Director by the Board of Directors of the Company on 12th December, 2005. He was also appointed as 'Executive Director - Legal' of the Company for a period of 2 years with effect from 1st January, 2006, subject to the approval of the Members of the Company. Resolutions pertaining to his appointment are being placed before the shareholders in the ensuing Annual General Meeting for their approval.

In view of the proposed initial public offering by the Company, the Board of Directors have appointed Mr. M.M. Sabharwal, Dr. D.V. Kapur, Mr. Ravinder Narain, Mr. K.N. Memani and Mr. G.S. Talwar as Additional Directors on the Board with effect from 21st April, 2006. The appointment of these Directors would enable the Board to meet the listing requirements of having independent Directors on the Board. Resolutions pertaining to their appointments as Directors are being placed before the shareholders for their approval. Mr. B. Bhushan and Brig (Retd.) N.P. Singh are already on the board as Independent Directors

Further, during the period under review, the Board of Directors also constituted various Committees of the Board to carry out various functions of the Board from time to time. The Board has following Committees:

Name of Committee	Members
(a) Audit Committee	Mr. K. N. Memani (Chairman), Mr. M.M. Sabharwal, Mr. T.C. Goyal, Dr. D.V. Kapur and Mr. B. Bhushan
(b) Remuneration Committee	Brig. (Retd.) N.P. Singh (Chairman), Mr. B. Bhushan and Mr. M.M. Sabharwal
(c) Shareholders'/ Investors' Grievance Committee	Mr. D.V. Kapur (Chairman), Brig. (Retd.) N.P. Singh, Mr. Ravinder Narain and Mr. K. Swarup

- (d) IPO Committee      Mr. B. Bhushan (Chairman), Mr. T.C. Goyal, Brig. (Retd.) N.P. Singh and Mr. Ravinder Narain
- (e) Corporate Governance Committee      Dr. D.V. Kapur (Chairman), Mr. K.N. Memani, Mr. M.M. Sabharwal and Mr. G.S. Talwar

## Conversion of debentures

During the period under review, 2% unsecured debentures were converted into ten (10) equity shares of Rs.10/- each for one fully paid debenture of the face value of Rs.100/- each held by the debenture holders.

## Bonus shares

Your Directors at their meeting held on 2nd May, 2006 have allotted 26,43,77,729 equity shares of Rs.10/- each to the shareholders of the Company whose names appear on the Register of Members on 27th April, 2006, being the record date for issuance of bonus shares in the ratio of seven equity shares for one equity share held by the Member on the record date.

## Sub-division of shares

To provide more liquidity to the shareholders of the Company and in view of the proposed initial public offering by the Company, your Board of Directors in their meeting held on 2nd May, 2006 have approved the sub-division of equity share of Rs.10/- each into five (5) equity shares of Rs.2/- each fully paid up, in accordance with the approval granted by the Members of the Company.

## Public issue

Your Board of Directors proposes to come out with a public issue of not exceeding 25,00,00,000 equity shares of Rs. 2/- each for subscription for cash in accordance with the provisions of SEBI (Disclosure and Investor Protection) Guidelines, 2000 (SEBI Guidelines) through the book building process in consultation with book running lead managers appointed for purpose of the public issue. The Members have accorded their consent at the extra – ordinary general meetings held on 20th April, 2006, 27th April, 2006 and 2nd May, 2006 for the purpose.

## Merger / amalgamation

The Scheme of Amalgamation under section 391-394 of the

Companies Act, 1956, of DLF Power Limited and DLF Phase IV Commercial Developers Limited (subsidiaries of DLF Universal Limited) with DLF Universal Limited is under process and hence, no effect thereto has been given during the financial year under review.

The Scheme of Merger / Amalgamation for merger of M/s DLF Services Limited with M/s DT Cinemas Limited, the wholly owned subsidiaries of your Company, was sanctioned by the Hon'ble High Court of Delhi at New Delhi vide Order dated 2nd August, 2005 and by the Hon'ble High Court of Punjab and Haryana at Chandigarh vide order dated 25th August, 2005. On 19th September, 2005, the formal orders of merger were filed with the Registrar of Companies, NCT of Delhi and Haryana and with effect from 19th September, 2005, M/s DLF Services Limited stands merged/amalgamated into M/s DT Cinemas Limited and consequently the name of amalgamated company was changed to M/s DLF Services Limited.

## Internal control systems

The Company maintains a system of internal control, including suitable monitoring procedures. The Internal Auditors regularly conduct a review of the financial and operating controls.

## Directors' responsibility statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm the following in respect of the audited annual accounts for the financial year ended 31st March, 2006:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March, 2006 and the profit or loss of the Company for that period.
- iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the annual accounts for the financial year ended 31st March, 2006 on a going concern basis.

### Particulars of employees

Information regarding employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is given in Annexure 'A' annexed hereto and forming part of this report.

### Conservation of energy, technology absorption and foreign exchange earnings / outgo

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure 'B' annexed hereto and forms part of this report.

### Auditors

M/s Walker Chandiok & Co, Chartered Accountants, New Delhi, the Statutory Auditors of the Company, holding office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

### Auditors' report

The observations of the Auditors in their report are self-explanatory and therefore, in the opinion of Directors, do not call for any further explanation.

### Acknowledgment

The Board of Directors gratefully acknowledge the continued co-operation and support of our shareholders, valued customers and would like to place on record its appreciation for the dedicated services of the employees at all levels for its success. The Directors further express their gratitude to the bankers, the Central and State Governments and financial institutions for their continued support to the Company.

For and on behalf of the Board of Directors

**Rajiv Singh**

*Vice-Chairman*

**T.C.Goyal**

*Managing Director*

Place : New Delhi

Dated : May 2, 2006

# ANNEXURE- 'A'

Statement under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors Report for year ended 31st March, 2006.

Sl No.	Name	Age in Year	Qualifications	Years of Experience	Particulars of Present Employment			Particulars of Last Employment	
					Date of Commencement of employment	Designation/ Nature of duties	Remuneration received	Employer	Designation

**A Employment through the Financial Year and in receipt of remuneration aggregating Rs. 24,00,000/- or more:**

## MANAGING DIRECTOR/WHOLE TIME DIRECTORS

1	Singh,K.P	74	B.Sc	45	02.06.1968	Chairman (Wholetime Director) (Policy making)	19,578,665	Raisina Cold Storage & Ice Co.(P)Ltd.	Managing Director
2	Singh,Rajiv	47	BS.Mech.	24	09.04.1999	Vice Chairman (Whole time Director) (Policy making)	51,214,280	DLF Industries Limited	Vice Chairman & Managing Director
3	Goyal, T.C	62	B.Com.(Hons).FCA	39	15.10.1981	Managing Director	26,469,527	Methodex System Ltd	Manager (Finance)
4	Chandra,J.K	72	B.Tech (Hons) M.Tech.F.I.E, M.I.C.E	49	01.10.1996	Senior Executive Director-'Projects' (Whole Time Director)	5,710,373	DLF Industries Limited	Sr. Vice President (Operations)
5	Singh,Pia	35	B.Sc.(Eco) Grad.in Business Management	11	18.02.2003	Whole time Director (Retail)	14,852,946	Digital Talkies	CEO

## OTHER EMPLOYEES

6	Minocha,A.S	65	B.Com.(Hons) F.C.A, F.C.S, M.B.A	40	03.03.2000	Advisor (Commercial Spaces)	18,211,878	DLF Cement Limited	Managing Director
7	Kachru,Ravi S	58	B.Sc.(Engg)	34	01.10.1996	Chief Executive (Projects)	10,054,431	DLF Industries Limited	Sr.Gen. Manager (Project)
8	Malhotra,Rajiv	51	B.E & M.S (Structural)	28	01.10.1996	Chief Executive (Projects)	7,359,459	DLF Industries Limited	General Manager (Planning)
9	Gupta,Anil	50	B.Arch	27	01.10.1996	Chief Executive (Design & Architecture)	6,970,855	DLF Industries Limited	Chief Architect
10	Swarup, Kameshwar	66	M.Com,LLB,FCS	43	01.12.1997	Executive Director (Legal)	5,612,519	Delhi Stock Exchange	Sr.Gen.Manager (Market Operations Secratarial & Legal)

**DLF LIMITED**  
(FORMERLY DLF UNIVERSAL LIMITED)

Sl No.	Name	Age in Year	Qualifications	Years of Experience	Particulars of Present Employment			Particulars of Last Employment	
					Date of Commencement of employment	Designation/ Nature of duties	Remuneration received	Employer	Designation

**OTHER EMPLOYEES (CONTD.)**

11	Khanna,Ajay	55	MBA	33	01.06.1999	Chief Executive (Business Development)	6,917,727	J.K.Corp Ltd	CEO (Real Estate)
12	Verma,Yogesh	48	M.E.B.E(Hons)	24	02.06.2003	Chief Executive (Business Development) (Northern Region)	4,538,780	Ballarpur Industries Ltd	CEO (Healthcare)
13	Kumar, Praveen	53	B.Com(Hons) C.A	27	25.11.2003	Advisor (Land and Estate)	6,326,885	Pal Electricals P.Ltd	Director
14	Subramanian, Jayakrishna	51	B.Tech.,PGDM	24	15.01.2004	Chief Executive (Business Development) (Southern Region)	5,087,366	Aseania Industries SDN, BHD (Aseania Group) Kuala Lumpur	General Manager
15	Jindal,Vipen	49	C.A	25	01.10.1996	Vice President (Finance)	2,494,065	DLF Industries Limited	Finance Controller
16	Kakkar, Ramesh	56	AMIE(MECH)	36	01.10.1996	Vice President (Purchase)	2,576,507	DLF Industries Limited	Sr.Manager-Purchase
17	Hari Haran	57	M.Com,FICWA,FCS ACIS(UK)	36	19.04.1995	Company Secretary cum Chief Executive (Corp.Affairs)	4,689,150	General Export & Credit Ltd	GM(Finance) & Company Secretary
18	Sanka, Ramesh	46	B.Tech,MMS (Finance)	22	01.06.2004	Chief Financial Officer	7,323,128	Moser Baer India Limited	FC & CIO (VP)
19	Bhattacharya, K.K.	63	B.E.(Electrical)	41	20.12.1993	Advisor (Electrical)	4,522,417	Larsen & Toubro Ltd	Dy.Gen.Manager
20	Sharma, Rakesh Kumar	47	B.Tech, PGDM	26	01.02.2005	Chief Executive (Business Development) (Western Region)	4,286,874	Mahendra Gesco Developers Ltd.	V.P (Project)
21	E.K., Valsala Kumari	45	MA, DBM	26	21.03.1983	Sr. VP (Marketing)	3,025,083	Ramfey & Sons	Stenographer
22	Gambhir, Madhu Kr.	46	MSW, DPM	23	05.08.1992	Sr. VP (HR)	2,683,342	ITDC	Manager
23	Vancheswar, Vijay G	51	BE, M.Tech, Phd.	24	01.04.2003	VP( Corp. Communication)	2,729,974	INDO Rama Synthetics	VP- Corp. Affairs
24	Banerjee, Deepak	55	B.Tech(Civil)	33	16.09.2003	Sr. VP (Projects)	4,190,634	Siel Ltd.	Sr. Vice President
25	Gupta, Bhupesh	45	LLB, MBA, CS(Inter)	21	08.12.2003	Sr. VP (Business Development)	2,838,413	BITS India Consultants	Sr. Partner
26	Singh, Devinder	42	BE, MBA	20	25.11.1985	Sr. VP (Planning)	2,804,750	Nil	Nil
27	Khanna, Arvind	48	BA(Hons.), MBA	28	01.04.2003	Chief Executive (Marketing)	3,792,555	Independent Consultant	



Sl No.	Name	Age in Year	Qualifications	Years of Experience	Particulars of Present Employment			Particulars of Last Employment	
					Date of Commencement of employment	Designation/ Nature of duties	Remuneration received	Employer	Designation

**B Employed for part of the Financial Year and in receipt of remuneration aggregating Rs.2,00,000/- or more per month :**

**WHOLE TIME DIRECTOR**

1	Talwar, Renuka	49	B.A.(Eco)(Hons)	16	01.09.1993	Whole-Time Director (International Affairs)	3,940,000	DLF Builders & Developers Ltd.	Vice President
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**OTHER EMPLOYEES**

2	Rebello, A.D.	45	BA(Hons.), MMS	22	18.04.2005	Advisor (Housing)	6,770,490	Tata Housing Dev. Co. Ltd	MD & CEO
3	Gadi, Jagdish Kumar	55	B.Com(Hons.), C.A	33	01.03.2006	Group-Chief internal Auditor	249,781	Ranbaxy Lab Ltd.	Director- Internal Audit
4	Sehgal, Harish Chandra	49	B.Com(Hons.), LLB	21	01.03.2006	Sr. VP (Legal)	309,237	Ballarpur Industries Ltd.	Head- Legal
5	Saxena, Joy	45	B.Sc., F.C.A, A.I.C.W.A, PGDBA	20	21.03.2006	Sr, VP (Finance)	88,830	Flex Industries . Ltd	VP (Finance & Accounts)

**NOTES :**

- 1 Remuneration comprises salary, bonus, allowances, monetary value of perquisites at actual cost/as per Income Tax rules (wherever applicable), commission, notice pay, leave encashment, exgratia, gratuity, Company's contribution to provident and superannuation funds but exclude contribution to gratuity funds on the basis of actuarial valuation as separate figures are not available. Bonus has been taken on the basis of amount paid during the period.
- 2 The Appointment of Mr.K.P.Singh, Chairman (S.No.A1) ; Mr.Rajiv Singh, Vice Chairman (S.No.A2); Mr.T.C Goyal, Managing Director (S.No.A3) ;Mr.J.K.Chandra, Senior Executive Director (Whole-time Director) (S.No.A4); Ms.Pia Singh, Whole time Director (S.No.A5) and Ms. Renuka Talwar (S.No.B1) are Contractual and in case of Mr.T.C.Goyal, Mr.J.K.Chandra and Ms.Pia Singh (S.No.A3-A5) are terminable by notice also. The appointment of all other employees are Non-Contractual and all other terms and conditions of employment are governed by Company policy and rules.
- 3 Mr.K.P.Singh, Chairman (S.No.A1) is a Relative of Mr.Rajiv singh, Vice Chairman (S.No.A2), Ms Pia Singh, Whole time Director (S.No.A5) and Ms.Renuka Talwar, Whole time Director(S.No.B1); Mr. Rajiv Singh, Vice Chairman (S.No.A2) is relative of Mr.K.P.Singh, Chairman (S.No.A1), Ms.Pia Singh, Whole time Director (S.No.A5) and Ms.Renuka Talwar, Whole time Director (S.No.B1); Ms.Pia Singh, Whole time Director (S.No.A5) is a relative of Mr.K.P.Singh, Chairman (S.No.A1), Mr.Rajiv Singh, Vice-Chairman(S.No.A2) and Ms.Renuka Talwar, Whole time Director (S.No.B1); Ms. Renuka Talwar, Whole time Director (S.No.B1) is a relative of Mr.K.P.Singh, Chairman (S.No.A1), Mr. Rajiv Singh, Vice Chairman (S.No.A2) and Ms.Pia Singh, Whole time Director (S.No.A5). No other Director/ whole time Director/Managing Director and other employees mentioned above is relative of any of the Directors of the Company.
- 4 There is no employee who was in receipt of remuneration in excess of that drawn by Managing Director or Whole time Director and holds not less than two percent by himself or along with his spouse and dependent children, falling under the provisions of sub-clause (iii) of clause (a) of Section 217(2A) of the Companies Act, 1956 read with the Sub-clause(j) of the Companies (Particulars of Employees) Rules, 1975. Hence not given.
- 5 On 10.04.2006, Mr. J.K.Chandra has resigned from the Directorship of the Company. However, he continues to be on the rolls of the Company.
- 6 With effect from 27.04.2006, Ms. Renuka Talwar has resigned from the Directorship of the Company. However she continues to be on the rolls of the Company. Being relative of Directors of the Company, her appointment is subject to approval of Central Government. Members of the Company have accorded their consent in their extra-ordinary general meeting held on 27.04.2006.

For and on behalf of the Board of Directors

Place : New Delhi  
Dated : May 2, 2006

**Rajiv Singh**  
Vice-Chairman  
**T.C.Goyal**  
Managing Director

## ANNEXURE- 'B'

Disclosure of Particulars u/s 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

The Company is engaged in the business of colonization and real estate development. During the year under review, the company carried on only real estate business viz sale of immovable properties located in India. Considering the nature of activities, the particulars as required to be presented in Form 'A' & 'B' under the provisions of Section 217(1)(e) of the Companies Act, 1956 are not applicable. However, proposals/tentative plans which are proposed/feasible and practicable to be implemented by the company are furnished below:

### A. Conservation of energy:

a) Energy conservation measures taken;	i) Energy conservation units using gas generators and VAMs commissioned in one of the complexes. ii) Energy saved by using exhaust gas and water approx. Four lacs units per month.
b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy;	i) Additional investment is being done to procure 9 more VAMs for commercial complexes and retail outlets this year.
c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;	i) Electricity approx. four lacs units per month is being saved.
d) Total energy consumption and energy consumption per unit of production as per Form A of Annexure to the Rules in respect of industries specified in the Schedule thereto.	N.A

### B. Technology absorption:

e) Efforts made in technology absorption as per Form B of the Annexure to the Rules.

#### FORM B: Form for disclosure of particulars with respect to absorption

##### Research and development (R&D)

1. Specific areas in which R & D carried out by the Company	Study of Adiabatic Coolers for water conservation in large air – conditioning plant was carried out.
2. Benefits derived as result of the above	Saving in huge quantity of cooling water for power generation and air – conditioning.
3. Future Plan of Action	Adoption of this system in all the future complexes.
4. Expenditure on R & D:	
(a) Capital	Nil
(b) Recurring	Nil
(c) Total	Nil
(d) Total R & D expenditure as a percentage of total turnover	N.A

**Technology absorption, adaptation and innovation**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	Efforts are made for design and detailing and also study of most efficient and economical equipment selection.
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution etc.	Huge saving of water and increase in efficiency of generators and chillers.
3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished:	There is no imported technology involved
(a) Technology imported	Nil
(b) Year of import	N.A.
(c) Has technology been fully absorbed?	N.A.
(d) If not fully absorbed, areas where this has not been taken place, reasons therefore and future plans of action.	N.A.

**C. Foreign exchange earnings and outgo:**

f) activities relating to exports, initiatives taken to increase exports; development of new export markets for products and services; and Export plans;	<p>(i) The company is engaged in developing/constructing residential and commercial properties in India and selling the immovable properties to customers in India and abroad.</p> <p>(ii) The company does not have any export as such, as the immovable properties are incapable of being exported.</p> <p>(iii) The company receives remittances of sale consideration for immovable properties located in India, purchased by the customers abroad.</p> <p>(iv) The company has taken many initiatives to increase the sale of immovable properties to the customers abroad by designing premium apartments in accordance with the requirements and life style of NRIs, by holding meeting with customers at different locations abroad, attending exhibitions, fairs etc. through its senior executives and Directors with a view to have personal contact with the customers, by giving advertisements in India and abroad, by having continuous touch with enquiries from customers abroad through the company's liaison office at London.</p> <p>(v) The company proposes to develop new residential complexes abroad having large clusters of Indians,</p>						
g) Total foreign exchange used and earned:							
Foreign exchange earned (receipts / remittances)	<table> <tr> <th colspan="2">(Rs. in Lacs)</th></tr> <tr> <th>2005-2006</th><th>2004-2005</th></tr> <tr> <td>11176.43</td><td>7626.08</td></tr> </table>	(Rs. in Lacs)		2005-2006	2004-2005	11176.43	7626.08
(Rs. in Lacs)							
2005-2006	2004-2005						
11176.43	7626.08						
Foreign exchange used	<table> <tr> <th>2005-2006</th><th>2004-2005</th></tr> <tr> <td>773.88</td><td>319.49</td></tr> </table>	2005-2006	2004-2005	773.88	319.49		
2005-2006	2004-2005						
773.88	319.49						

For and on behalf of the Board of Directors

Place : New Delhi  
Dated : May 2, 2006

**Rajiv Singh**  
Vice-Chairman

**T.C.Goyal**  
Managing Director



# Auditors' Report

To  
The Members of DLF Universal Limited

We have audited the attached Balance Sheet of DLF Universal Limited, ("the Company") as at March 31, 2006, the Profit and Loss account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies Auditor's Report (Amendment) Order, 2004 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ("the Act"), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii. The Balance Sheet, Profit and Loss account and Cash Flow

Statement dealt with by this report are in agreement with the books of account;

- iv. In our opinion and to the best of our information and according to the explanations given to us, the financial statements, read together with the notes thereon, and in particular note 5 in schedule 25 regarding the method adopted for recognising revenue from the sale of land and plots, constructed properties, comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:
  - a) the Balance Sheet, of the state of affairs of the Company as at March 31, 2006;
  - b) the Profit and Loss account, of the profit for the year ended on that date; and
  - c) the Cash Flow Statement, of the cash flows for the year ended on that date.
- v. On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Walker, Chandiok & Co.  
Chartered Accountants

Vinod Chandiok  
Partner

Place: New Delhi  
Date: May 11, 2006

Membership No 10093

## Annexure to the Auditors' Report

Annexure to the auditors' report of even date to the members of DLF Universal Limited, on the financial statements for the year ended March 31, 2006

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and in terms of the information and explanations given to us and the books and records examined by us in the normal course of audit, we report that:

- i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company's programme of physical verification of all its fixed assets over a period of 2 years, is in our opinion, reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
- c) In our opinion, a substantial part of fixed assets have not been disposed off during the year.
- ii) a) Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii) a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Order are not applicable to the Company.
- b) The Company has taken loans from twenty eight companies, firms and other parties covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was

Rs 366.35 lacs and the year-end balance of loans taken from such parties was Rs 238.00 lacs.

- c) In our opinion, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

- d) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.

- (iv) In our opinion, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas. Owing to the nature of its business the Company does not sell any goods. Accordingly, clause 4(iv) of the Order with respect to sale of goods is not applicable to the Company.

- v) a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.

- b) In our opinion, the transactions made in pursuance of contracts or arrangements referred to in section 301 of the Act are at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- vi) In our opinion, directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA and other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with by the Company. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, relevant to sections 58A, 58AA or the other relevant provisions of the Act.

- (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

## Annexure to the Auditors' Report (Contd.)

(viii) To the best of our knowledge, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 by the Company. Accordingly, the provisions of clause 4(viii) of the Order are not applicable to the Company	(xv) The Company has given guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.
ix) a) The Company is regular in depositing the undisputed statutory dues including provident fund, investor education fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. No undisputed amounts payable in respect of income-tax, wealth-tax, service-tax, sales-tax, customs duty and excise duty were outstanding, at the year end for a period of more than six months from the date they became payable.	(xvi) The Company has applied the term loans for the purpose for which the loans were obtained.
b) There are no amounts in respect of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute except for Rs. 1,110.17 lacs relating to Income tax demand pertaining to the Assessment year 2003-04 which is pending in appeal with the Commissioner of Income tax (Appeals).	(xvii) Based on an overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
(x) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current and immediately preceding financial year.	(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
(xi) The Company has not defaulted in repayment of dues to a financial institution, bank or to debenture holders during the year.	(xix) The Company has issued 3,426,024, "2% Redeemable Unsecured Convertible Debentures" of Rs 100 each during the year. However, the Company did not have any outstanding secured debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.	(xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
(xiii) The Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.	(xxi) We report that no fraud on or by the Company has been noticed or reported during the year.
(xiv) The company is not dealing in or trading in shares, securities,	

For Walker, Chandiok & Co.  
Chartered Accountants

Vinod Chandiok  
Partner

Place: New Delhi  
Date: May 11, 2006

Membership No 10093

**DLF LIMITED**

(FORMERLY DLF UNIVERSAL LIMITED)

**Balance Sheet** as at March 31, 2006

(Rupees in Lacs)

	Schedule	2006	2005
<b>SOURCES OF FUNDS</b>			
Shareholders' funds			
Share capital	1	3,776.80	350.80
Reserves and surplus	2	60,716.28	38,041.82
		64,493.08	38,392.62
Loan funds			
Secured loans	3	301,092.93	63,015.05
Unsecured loans	4	298.71	295.14
		301,391.64	63,310.19
Deferred tax liability (net)	5	570.38	566.31
		366,455.10	102,269.12
<b>APPLICATION OF FUNDS</b>			
Fixed assets	6		
Gross block		10,891.44	9,879.61
Less: Depreciation		2,924.49	2,679.28
Net block		7,966.95	7,200.33
Capital work- in-progress		45,672.70	40,663.20
		53,639.65	47,863.53
Investments	7	139,728.29	17,381.93
Current assets, loans and advances			
Stocks	8	47,211.90	71,848.16
Sundry debtors	9	2,655.22	397.64
Cash and bank balances	10	12,697.30	2,199.50
Other current assets	11	376.84	175.01
Loans and advances	12	245,901.71	96,155.37
		308,842.97	170,775.68
Less:			
Current liabilities and provisions			
Current liabilities	13	118,794.36	127,889.97
Provisions	14	16,961.45	5,862.05
		135,755.81	133,752.02
Net current assets		173,087.16	37,023.66
		366,455.10	102,269.12
Significant accounting policies	24		
Notes to the financial statements	25		

The schedules referred to above form an integral part of the financial statements.

On behalf of the Board of Directors

Ramesh Sanka  
Chief Financial Officer

Hari Haran  
Company Secretary cum Chief  
Executive (Corporate Affairs)

Rajiv Singh  
Vice Chairman

K Swarup  
Executive Director- Legal

T. C. Goyal  
Managing Director

Place: New Delhi  
Dated: May 2, 2006

This is the Balance Sheet referred to in our report of even date  
For **Walker, Chandiok & Co.**  
Chartered Accountants

Vinod Chandiok  
Partner  
Membership No.: 10093  
Place: New Delhi  
Dated: May 11, 2006



# Profit and Loss account for the year ended March 31, 2006

(Rupees in Lacs)

	Schedule	2006	2005
<b>INCOME</b>			
Sales and other income	15	114,503.34	47,978.60
<b>EXPENDITURE</b>			
Cost of land, plots and constructed properties	16	58,021.81	25,928.66
Establishment expenses	17	1,675.75	3,332.48
Finance charges	18	14,614.57	3,307.28
Other expenses	19	5,010.54	5,382.26
Depreciation	20	390.20	339.86
		79,712.87	38,290.54
Profit before tax		34,790.47	9,688.06
Provision for tax	21	12,046.68	2,918.43
Profit after tax		22,743.79	6,769.63
Prior period income (net)	22	–	0.67
Earlier year items :			
Income tax		107.79	(0.35)
Balance as per last balance sheet		31,701.77	25,884.82
		54,553.35	32,654.77
Transfer from :			
Capital reserve		699.51	5.66
Balance available for appropriation		55,252.86	32,660.43
<b>APPROPRIATION</b>			
General reserve		2,700.00	800.00
Proposed dividend on equity shares		155.33	140.32
Tax on dividend		21.79	18.34
Balance carried to balance sheet		52,375.74	31,701.77
		55,252.86	32,660.43
<b>EARNING PER SHARE</b>			
	23		
Basic earnings per share (Rs.)		14.71	4.82
Diluted earnings per share (Rs.)		14.71	4.82
(see note 23 and 24 of schedule 25)			
Significant accounting policies	24		
Notes to the financial statements	25		

The schedules referred to above form an integral part of the financial statements.

On behalf of the Board of Directors

**Ramesh Sanka**  
Chief Financial Officer

**Hari Haran**  
Company Secretary cum Chief  
Executive (Corporate Affairs)

**Rajiv Singh**  
Vice Chairman

**K Swarup**  
Executive Director- Legal

**T. C. Goyal**  
Managing Director

Place: New Delhi  
Dated: May 2, 2006

This is the Profit & Loss Account referred to in our report of even date  
For **Walker, Chandiok & Co.**  
Chartered Accountants

**Vinod Chandiok**  
Partner  
Membership No.: 10093  
Place: New Delhi  
Dated: May 11, 2006

**DLF LIMITED**

(FORMERLY DLF UNIVERSAL LIMITED)

**Cash Flow Statement** for the year ended March 31, 2006

(Rupees in Lacs)

	2006	2005
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	34,790.47	9,688.06
Adjustment for:		
Depreciation	390.20	339.86
Loss/ (profit) on sale of fixed assets	21.61	(19.21)
Loss on sale of investments	–	0.01
Assets written off	–	0.24
Interest/ guarantee charges	14,614.57	3,307.28
Interest income	(15,489.45)	(2,395.33)
Profit (net of loss) from Partnership Firms	(488.69)	(981.36)
Exchange loss/ (gain)	2.62	(0.19)
Prior period adjustments	–	(0.67)
Provision for doubtful debts/ advances	14.01	–
Provision for investment	–	80.68
Provision for retirement benefits	291.24	113.07
<b>Operating profit before working capital changes</b>	<b>34,146.58</b>	<b>10,132.44</b>
Adjustment for:		
Trade and other receivables	(55,074.65)	(17,429.79)
Stocks	24,646.43	46,351.55
Trade and other payables	6,442.07	(603.53)
Payables to subsidiary Companies/ Partnership Firms	168.33	988.15
Realisation under agreement to sell	(12,231.56)	18,371.93
<b>Cash generated from operations</b>	<b>(1,902.80)</b>	<b>57,810.75</b>
Direct taxes paid	(4,532.89)	(2,747.07)
<b>Net cash flow from/ (used in) operating activities</b>	<b>(6,435.69)</b>	<b>55,063.68</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase/ acquisition of fixed assets	(5,118.55)	(40,764.75)
Purchase/ acquisition of investments		
Subsidiary Companies/ Partnership Firms	(44,088.72)	(595.88)
Others	(78,372.37)	(118.18)
Proceeds from disposal of:		
Fixed assets	581.77	89.00
Investments:		
In subsidiary Companies/ Partnership Firms	114.73	978.51
Others	–	0.01
Interest/ dividend received	15,287.62	2,711.40
Advances to subsidiary Companies/ Partnership Firms	(103,027.49)	(20,289.08)
<b>Net cash used in investing activities</b>	<b>(214,623.01)</b>	<b>(57,988.97)</b>

## Cash Flow Statement for the year ended March 31, 2006 (Contd.)

(Rupees in Lacs)

	2006	2005
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Debentures *	3,426.00	–
Proceeds from long term borrowings	229,283.00	49,900.00
Repayment of long term borrowings	(20,397.00)	(36,600.00)
Proceeds/ (Repayment) from short term borrowings, net	29,195.45	(6,099.38)
Interest paid	(16,216.64)	(4,666.65)
Dividend paid	(138.87)	(140.12)
<b>Net cash flow from financing activities</b>	<b>225,151.94</b>	<b>2,393.85</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>4,093.23</b>	<b>(531.44)</b>
Cash and cash equivalents at the beginning	511.28	1,042.72
Cash and cash equivalents at the close	4,604.51	511.28
	<b>4,093.23</b>	<b>(531.44)</b>
<b>Note:</b>		
Cash and bank balance (as per schedule 10 to the financial statement)	12,697.30	2,199.50
Less: Fixed deposit (Pledged/ under lien/ earmarked)	8,095.41	1,688.03
Exchange (loss)/gain	(2.62)	0.19
	<b>4,604.51</b>	<b>511.28</b>
<b>Supplementary disclosure</b>		
* Subsequently converted into equity shares of Rs 10/- each (Refer note 22 on Schedule 25)	3,426.00	–

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On behalf of the Board of Directors

**Ramesh Sanka**  
Chief Financial Officer

**Hari Haran**  
Company Secretary cum Chief  
Executive (Corporate Affairs)

**Rajiv Singh**  
Vice Chairman

**K Swarup**  
Executive Director- Legal

**T. C. Goyal**  
Managing Director

Place: New Delhi  
Dated: May 2, 2006

This is the Cash Flow Statement referred to in our report of even date  
For **Walker, Chandiok & Co.**  
Chartered Accountants

**Vinod Chandiok**  
Partner  
Membership No.: 10093  
Place: New Delhi  
Dated: May 11, 2006

# DLF LIMITED

(FORMERLY DLF UNIVERSAL LIMITED)

## Schedules forming part of the financial statements for the year ended March 31, 2006

(Rupees in Lacs)

	2006	2005
<b>Schedule : 1 ► SHARE CAPITAL</b>		
<b>Authorised</b>		
39,500,000 (Previous year 4,500,000) Equity shares of Rs 10/- each	3,950.00	450.00
50,000 Cumulative redeemable preference shares of Rs 100/- each	50.00	50.00
	<b>4,000.00</b>	<b>500.00</b>
<b>Issued</b>		
37,878,300 (Previous year 3,618,310 ) Equity shares of Rs 10/- * each	3,787.83	361.83
<b>Subscribed and paid</b>		
37,767,997 (Previous year 3,508,007) Equity shares of RS.10/- * each fully paid	3,776.80	350.80

**Note:** Out of the above, 1,175,570 Equity shares fully paid were allotted pursuant to a contract for consideration other than cash.

\* see note 22 of schedule 25

<b>Schedule : 2 ► RESERVES AND SURPLUS</b>		
<b>Reserves</b>		
Capital reserve (see note 6 of schedule 25)		
As per last Balance Sheet	1,089.18	1,094.84
Transfer to Profit and Loss account	(699.51)	(5.66)
	<b>389.67</b>	<b>1,089.18</b>
Capital redemption reserve		
As per last Balance Sheet	24.35	24.35
Share premium		
As per last Balance Sheet	971.96	971.96
General reserve		
As per last Balance Sheet	4,254.56	3,454.56
Transfer from Profit and Loss account	2,700.00	800.00
	<b>6,954.56</b>	<b>4,254.56</b>
<b>Surplus</b>		
As per Profit and Loss account	52,375.74	31,701.77
	<b>60,716.28</b>	<b>38,041.82</b>

<b>Schedule : 3 ► SECURED LOANS</b>		
<b>From banks</b>		
Term loans	178,121.90	29,475.60
Overdraft facilities	34,071.03	3,539.45
	<b>212,192.93</b>	<b>33,015.05</b>
<b>From others</b>		
Term loans		
IL&FS Trust Company Limited	15,700.00	—
Infrastructure Development Finance Company Limited	15,000.00	—
Housing Development Finance Corporation Limited	58,200.00	30,000.00
	<b>88,900.00</b>	<b>30,000.00</b>
	<b>301,092.93</b>	<b>63,015.05</b>
Loans due within one year (see note 4 of schedule 25)	63,004.52	5,549.02

<b>Schedule : 4 ► UNSECURED LOANS</b>		
Fixed deposits *	53.28	77.18
Interest accrued and due	0.11	0.11
	<b>53.39</b>	<b>77.29</b>
Short term loans and advances		
Subsidiary companies	33.50	131.50
Others body corporate	210.00	86.35
	<b>243.50</b>	<b>217.85</b>
25 (Previous year Nil) 2% unsecured optionally convertible debentures of Rs 100/- each (net of call in arrear)	0.00 #	—
Interest accrued and due on debentures	1.82	—
	<b>298.71</b>	<b>295.14</b>
Loans due within one year	296.89	243.03

\* Includes unclaimed deposits amounting to Rs 1.28 lacs (Previous year Rs 1.68 lacs) not due for credit to "Investor Education and Protection Fund."

# Rounded off to 'Zero' (Debenture face value Rs 2,500 (Previous year Rs Nil), less call in arrear Rs 2,250 (Previous year Rs Nil))

## Schedules forming part of the financial statements for the year ended March 31, 2006

(Rupees in Lacs)

	2006	2005
<b>Schedule : 5 ► DEFERRED TAX LIABILITY (NET)</b>		
Deferred tax liability arising on account of :		
Depreciation	773.39	663.88
Deduction claimed under the provisions of the Income-tax Act, 1961.	165.70	165.70
	939.09	829.58
Less :		
Deferred tax asset arising on account of :		
Provision for :		
Diminution in value of investment	27.16	27.16
Doubtful advances	4.71	–
Retirement benefits	336.84	236.11
	368.71	263.27
	570.38	566.31

	2005	Additions	Deletions	2006
<b>Schedule : 6 ► FIXED ASSETS</b>				
<b>Gross block</b>				
Land				
Lease hold	225.85	–	–	225.85
Free hold	395.26	–	–	395.26
Buildings	4,631.74	634.99	–	5,266.73
Plant and machinery	1,159.39	778.18	585.36	1,352.21
Furniture and fixtures	505.02	63.69	6.29	562.42
Air conditioners and coolers	270.84	11.02	2.63	279.23
Vehicles	704.37	117.17	66.17	755.37
Leased plant and machinery	1,965.61	–	–	1,965.61
Computer softwares	21.53	67.23	–	88.76
<b>Total - Current year</b>	<b>9,879.61</b>	<b>1,672.28</b>	<b>660.45</b>	<b>10,891.44</b>
- Previous year	8,362.50	1,829.38	312.27	9,879.61
<b>Depreciation</b>				
Buildings	163.00	85.07	–	248.07
Plant and machinery	536.62	91.70	19.65	608.67
Furniture and fixtures	202.03	35.04	1.75	235.32
Air conditioners and coolers	64.78	13.13	0.64	77.27
Vehicles	238.16	67.78	35.04	270.90
Leased plant and machinery	1,474.21	–	–	1,474.21
Computer softwares	0.48	9.57	–	10.05
<b>Total - Current year</b>	<b>2,679.28</b>	<b>302.29</b>	<b>57.08</b>	<b>2,924.49</b>
- Previous year	2,669.57	251.95	242.24	2,679.28
<b>Net block</b>				
Land				
Lease hold	225.85			225.85
Free hold	395.26			395.26
Buildings	4,468.74			5,018.66
Plant and machinery	622.77			743.54
Furniture and fixtures	302.99			327.10
Air conditioners and coolers	206.06			201.96
Vehicles	466.21			484.47
Leased plant and machinery @	491.40			491.40
Computer softwares	21.05			78.71
<b>Total - Current year</b>	<b>7,200.33</b>			<b>7,966.95</b>
- Previous year	5,692.93			7,200.33

@ Leased plant and machinery is pending transfer to lessee on fulfillment of certain conditions against which security of an equivalent amount is lying with the Company.

# DLF LIMITED

(FORMERLY DLF UNIVERSAL LIMITED)

## Schedules forming part of the financial statements for the year ended March 31, 2006

(Rupees in Lacs)

	Class *	Share (No.)	2006 Book value	Share (No.)	2005 Book value
<b>Schedule : 7 ► INVESTMENTS</b>					
<b>Long Term</b>					
<b>In Shares</b>					
Trade Investment (Unquoted)					
<b>In Subsidiary Companies</b>					
DLF Akruti Info Parks (Pune) Limited	Equity	101,840	10.18	67,000	6.70
DLF Commercial Developers Limited	Equity	400,000	40.05	400,000	40.05
DLF Estate Developers Limited	Equity	5,102	0.51	5,102	0.51
	Preference	4,500	4.50	4,500	4.50
DLF Financial Services Limited	Equity	240,000	24.00	240,000	24.00
DLF Golf Resorts Limited	Equity	400,000	40.00	400,000	40.00
	Preference	10	0.01	10	0.01
DLF Home Developers Limited	Equity	2,489,190	1,771.51	2,489,190	1,771.51
DLF Housing and Construction Limited	Equity	27,355	76.52	27,355	76.52
	Preference	2,265	2.27	2,265	2.27
DLF Infocity Developers (NOIDA) Limited	Equity	50,000	5.00	–	–
DLF Phase IV Commercial Developers Limited	Equity	400,000	40.06	400,000	40.06
DLF Power Limited	Equity	69,320,037	6,932.00	69,320,037	6,932.00
DLF Retail Developers Limited	Equity	1,000,000	2,319.09	1,000,000	2,319.09
DLF Services Limited (Merged With DT Cinema Limited)	Equity	–	–	80,102	8.01
DLF Services Limited (Formerly Known as DT Cinema Ltd)	Equity	7,803,570	508.01	5,000,000	500.00
Beverly Park Maintenance Services Limited	Equity	9,000	0.91	9,000	0.91
	Preference	4,100	4.10	4,100	4.10
Breeze Constructions Private Limited	Equity	10,000	1.00	–	–
Dalmia Promoters and Developers Private Limited	Equity	100,000	10.00	–	–
Dhoomketu Builders and Developers Private Limited	Equity	10,000	1.00	–	–
Diwakar Estates Limited	Equity	1,880	0.19	1,880	0.19
	Preference	4,812	4.82	4,812	4.82
Edward Keventer (Successors) Private Limited	Equity	961,500	43,172.04	–	–
Eila Builders and Developers Private Limited	Equity	10,000	1.00	–	–
Gyan Real Estate Developers Private Limited	Equity	10,000	1.00	–	–
Kairav Real Estate Private Limited	Equity	50,000	5.00	10,000	1.00
Monishka Builders and Developers Private Limited	Equity	10,000	1.00	–	–
Natwar Builders and Developers Private Limited	Equity	10,000	1.00	–	–
NewGen Medworld Hospitals Limited	Equity	50,000	5.00	50,000	5.00
Nilgiri Cultivations Private Limited	Equity	496,935	1,451.05	496,935	1,451.05
Nilima Real Estate Developers Private Limited	Equity	10,000	1.00	–	–
Paliwal Developers Limited	Equity	10,000	1.00	10,000	1.00
	Preference	4,000	4.00	4,000	4.00
Rajika Estate Developers Private Limited	Equity	10,000	1.00	–	–
Sanchali Real Estate Developers Private Limited	Equity	10,000	1.00	–	–
Shrila Builders and Developers Private Limited	Equity	10,000	1.00	–	–
Simbala Builders and Developers Private Limited	Equity	10,000	1.00	–	–
Talika Real Estate Developers Private Limited	Equity	10,000	1.00	–	–
Trisha Real Estate Developers Private Limited	Equity	10,000	1.00	–	–
Tuhina Real Estate Developers Private Limited	Equity	10,000	1.00	–	–
Umed Construction Private Limited	Equity	10,000	1.00	–	–
Valini Builders and Developers Private Limited	Equity	10,000	1.00	–	–
VSK Investment & Finance Limited	Equity	6,520	0.65	6,520	0.65
	Preference	4,348	4.35	4,348	4.35
			<b>56,452.82</b>		<b>13,242.30</b>
<b>In Others Companies</b>					
DLF Cyber City Developers Limited @	Equity	25,000	2.50	–	–
Alankrit Estates Limited	Equity	3	– **	3	– **
Anuroop Builders and Developers Private Limited	Equity	10,000	1.00	–	–
Digital Talkies P Limited	Preference	80,680	80.68	80,680	80.68
Garv Developers Private Limited	Equity	10,000	1.00	–	–
Garv Promoters Private Limited	Equity	10,000	1.00	–	–
Garv Realtors Private Limited	Equity	10,000	1.00	–	–
Grism Builders and Developers Private Limited	Equity	10,000	1.00	–	–
Jai Luxmi Real Estate Private Limited	Equity	22,500	2.25	10,000	1.00
Kirtimaan Builders Limited	Equity	2	– **	2	– **

## Schedules forming part of the financial statements for the year ended March 31, 2006

(Rupees in Lacs)

	Class *	Share (No.)	2006 Book value	Share (No.)	2005 Book value
<b>Schedule : 7 ► INVESTMENTS (Contd.)</b>					
<b>In Others Companies (Contd.)</b>					
Luvkush Builders Private Limited	Equity	10,000	1.00	—	—
Mangal Shruti Gruh Nirmiti P Limited (Rs 100/- each)	Equity	37,500	37.50	37,500	37.50
Nadish Real Estate Private Limited	Equity	10,000	1.00	—	—
Northern India Theaters P Limited (Rs 100/- each)	Equity	90	0.09	90	0.09
Peace Buildcon Private Limited	Equity	10,000	1.00	—	—
Prowess Buildcon Private Limited	Equity	4,500	0.45	—	—
Realest Builders & Services P Limited	Equity	50,012	5.03	50,012	5.03
Skyrise Home Developers Private Limited	Equity	10,000	1.00	—	—
Ujagar Estates Limited	Equity	2	— **	2	— **
Vibhor Home Developers Private Limited	Equity	10,000	1.00	—	—
Vibodh Developers Private Limited	Equity	10,000	1.00	—	—
Vinesh Home Developers Private Limited	Equity	10,000	1.00	—	—
Vismay Builders and Developers Private Limited	Equity	10,000	1.00	—	—
			141.50		124.30
			56,594.32		13,366.60
Less : Provision for diminution in value			80.68		80.68
			<b>56,513.64</b>		<b>13,285.92</b>

\* Equity shares of Rs 10/- each, Preference shares of Rs 100/- each - fully paid, unless otherwise stated.

\*\* Rounded off to 'Nil'

	Class #	Debenture (No.)	2006 Book value	Debenture (No.)	2005 Book value
<b>Long Term (Trade)</b>					
<b>In Debentures unquoted</b>					
Adonia Builders and Developers Private Limited		261,774	1,308.87		—
Alita Builders and Developers Private Limited		512,194	2,560.97		—
Amandla Builders and Developers Private Limited		1,821,942	9,109.71		—
Amistad Builders and Developers Private Limited		188,943	944.72		—
Berit Builders and Developers Private Limited		230,124	1,150.62		—
Byron Builders and Constructions Private Limited		399,460	1,997.30		—
Ciel Builders and Developers Private Limited		425,682	2,128.41		—
Delmer Builders and Constructions Private Limited		354,079	1,770.40		—
Dominique Builders and Constructions Private Limited		806,746	4,033.73		—
Denton Builders and Developers Private Limited		808,050	4,040.25		—
Eldoris Builders and Developers Private Limited		661,156	3,305.78		—
Eskana Builders and Developers Private Limited		123,617	618.09		—
Fuensanta Builders and Constructions Private Limited		456,843	2,284.22		—
Galatea Builders and Developers Private Limited		195,413	977.07		—
Hermelinda Builders and Developers Private Limited		565,667	2,828.34		—
Ialeta Builders and Constructions Private Limited		61,351	306.76		—
Lionel Builders and Constructions Private Limited		343,751	1,718.76		—
Lysander Builders and Developers Private Limited		933,648	4,668.24		—
Madeira Builders and Construction Private Limited		154,654	773.27		—
Manini Real Estates Private Limited		1,805,000	9,025.00		—
Montague Builders and Constructions Private Limited		349,183	1,745.91		—
Mubin Builders and Developers Private Limited		151,327	756.64		—
Mughith Real Estates Private Limited		186,237	931.18		—
Muhannad Builders and Developers Private Limited		254,976	1,274.88		—
Murdock Builders and Developers Private Limited		1,805,000	9,025.00		—
Nerice Builders and Developers Private Limited		111,795	558.97		—
Nevili Builders and Constructions Private Limited		106,467	532.33		—
Odette Builders and Constructions Private Limited		446,143	2,230.71		—
Orane Builders and Constructions Private Limited		360,680	1,803.40		—
Prewitt Builders and Constructions Private Limited		263,774	1,318.87		—
Soleil Builders and Constructions Private Limited		525,354	2,626.77		—
			<b>78,355.17</b>		—



**DLF LIMITED**

(FORMERLY DLF UNIVERSAL LIMITED)

**Schedules forming part of the financial statements** for the year ended March 31, 2006

(Rupees in Lacs)

	2006	2005
<b>Schedule : 7 ► INVESTMENTS (Contd.)</b>		
<b>In Partnership firms</b>		
DLF Commercial Projects Corporation	365.00	365.00
DLF Office Developers	1,170.53	1,201.31
DLF Property Developers	2,158.64	1,883.80
DLF Residential Builders	186.87	186.88
DLF Residential Partners	200.00	200.00
DLF Cyber City @	–	75.93
DLF South Point	582.60	113.39
DLF Recreational Foundation	28.51	19.17
Kavicon Partners	135.33	18.53
Rational Builders and Developers	32.00	32.00
	4,859.48	4,096.01
	<b>139,728.29</b>	<b>17,381.93</b>

@ The firm namely, DLF Cyber City was converted into a limited company - DLF Cyber City Developers Limited on March 2, 2006, under Part IX of the Companies Act, 1956.

# 9% unsecured debentures of Rs 500 each fully paid up, redeemable or convertible into equity shares at par on or before 20 years, at the option of the Company.

	2006	2005
<b>Schedule : 8 ► STOCKS</b>		
Land and plots including development cost (under agreement to sell)	2,124.02	2,382.21
Constructed properties		
Land and construction work in progress	33,042.44	50,812.22
Development/ construction materials	11.26	88.26
Earnest money and part payments under agreement to purchase land/ constructed properties		
To subsidiary companies	6,248.23	11,568.07
To others	1,224.23	2,347.77
	7,472.46	13,915.84
Constructed buildings (including land and related equipments)		
Lease hold	3,041.63	3,041.63
Free hold	2,575.47	2,575.47
	5,617.10	5,617.10
Less: Depreciation on buildings and related equipments	1,055.38	967.47
	4,561.72	4,649.63
	<b>47,211.90</b>	<b>71,848.16</b>

<b>Schedule : 9 ► SUNDRY DEBTORS</b>		
(Considered good unless otherwise stated)		
Debts over six months		
Secured	68.42	0.46
Unsecured	250.81	353.07
	319.23	353.53
Other debts		
Secured	0.64	6.24
Unsecured		
Subsidiary companies	8.76	–
Others	2,326.59	37.87
	2,335.99	44.11
	<b>2,655.22</b>	<b>397.64</b>

<b>Schedule : 10 ► CASH AND BANK BALANCES</b>		
Cash in hand	5.55	7.04
Bank balances :		
With scheduled banks in :		
Current accounts	1,169.24	487.78
Fixed deposit accounts		
Pledged/under lien/earmarked	8,095.41	1,688.03
Others	3,412.62	–
With HSBC Bank plc, London, UK, in current account, a non - scheduled bank (maximum amount outstanding during the year Rs 41.58 lacs, previous year Rs 70.19 lacs)	14.48	16.65
	<b>12,697.30</b>	<b>2,199.50</b>



## Schedules forming part of the financial statements for the year ended March 31, 2006

(Rupees in Lacs)

	2006	2005
<b>Schedule : 11 ▶ OTHER CURRENT ASSETS</b>		
Interest accrued		
On investments	173.64	–
Other than on investments		
From customers	201.99	168.39
From others	1.21	6.62
	<b>376.84</b>	<b>175.01</b>

<b>Schedule : 12 ▶ LOANS AND ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Secured	456.82	421.82
Unsecured (including Rs 14.01 lacs (Previous year Nil) doubtful)	61,000.79	17,582.96
	<b>61,457.61</b>	<b>18,004.78</b>
Due from subsidiary companies		
Secured	18,304.25	18,454.25
Others	153,921.90	33,806.00
	<b>172,226.15</b>	<b>52,260.25</b>
Due from firms in which the Company and/ or its subsidiary companies are partners - current accounts	–	17,115.50
Security deposits	251.78	205.81
Tax paid	11,980.18	8,569.03
	<b>245,915.72</b>	<b>96,155.37</b>
Less: Doubtful and provided for	14.01	–
	<b>245,901.71</b>	<b>96,155.37</b>

<b>Schedule : 13 ▶ CURRENT LIABILITIES</b>		
Sundry creditors		
Small scale industrial undertakings	–	8.43
Subsidiary companies	61.58	367.47
Others	4,293.90	3,413.74
	<b>4,355.48</b>	<b>3,789.64</b>
Due to firms in which the Company and/ or its subsidiary companies are partners - current account	559.54	587.63
Due to Niharika Shopping Mall - a joint venture	165.65	–
Realisation under agreement to sell		
Subsidiary companies	63.74	116.87
Others	101,190.65	113,369.08
Uncashed dividend *	8.80	7.35
Other liabilities		
Subsidiary companies	0.78	0.78
Others	12,206.42	9,834.56
Interest accrued but not due on loans	243.30	184.06
	<b>118,794.36</b>	<b>127,889.97</b>

<b>Schedule : 14 ▶ PROVISIONS</b>		
Proposed dividend	155.33	140.32
Tax on dividend	21.79	18.34
Provision for tax	15,783.62	4,993.92
Retirement benefits	1,000.71	709.47
	<b>16,961.45</b>	<b>5,862.05</b>

\* Not due for credit to " Investor Education and Protection Fund".

**DLF LIMITED**

(FORMERLY DLF UNIVERSAL LIMITED)

**Schedules forming part of the financial statements** for the year ended March 31, 2006

(Rupees in Lacs)

	2006	2005
<b>Schedule : 15 ▶ SALES AND OTHER INCOME</b>		
<b>a) Sales and other receipts</b>		
Sale of land and plots	1,789.22	450.59
Revenue from constructed properties	93,093.66	40,135.34
Service receipts	417.36	590.81
Amount forfeited on properties	45.89	46.56
Compensation and claims	-	0.26
Rent and license fee	3,093.97	2,980.49
Farm receipts	0.12	0.14
	98,440.22	44,204.19
<b>b) Income from investments</b>		
Long - term (trade investments)		
Interest (gross #) on debentures	1,631.60	-
Profit / (Loss) from partnership firms		
DLF Commercial Project Corporation	3.93	1.82
DLF Office Developers	311.23	308.28
DLF Property Developers	43.96	26.22
DLF Residential Builders	(0.01)	(0.03)
DLF Residential Partners	(0.01)	(1.16)
DLF Cyber City	(35.82)	5.76
DLF South Point	61.20	(0.03)
DLF Recreational Foundation	15.00	16.00
Kavicon Partners	89.30	52.05
Rational Builders & Developers	(0.09)	572.45
	488.69	981.36
# Tax deducted at source on debentures interest	2,120.29	981.36
	366.13	-
<b>c) Other income</b>		
Interest (gross*) from :		
Bank deposits	318.18	46.11
Customers	277.14	163.02
Loans and deposits	13,227.15	2,185.90
Income-tax refunds	35.38	-
Others	-	0.30
	13,857.85	2,395.33
Exchange (loss)/ gain	(2.62)	0.19
Profit on disposal of fixed assets	1.31	70.48
Unclaimed balances and excess provisions written back	2.79	1.62
Miscellaneous income	83.50	325.43
	13,942.83	2,793.05
	<b>114,503.34</b>	<b>47,978.60</b>
* Tax deducted at source on interest	3,045.38	471.54

<b>Schedule : 16 ▶ COST OF LAND, PLOTS AND CONSTRUCTED PROPERTIES</b>		
Land and Plots (including development cost)		
Opening stock	2,382.21	2,689.16
Purchases	336.37	564.11
Less :Closing stock	(2,124.02)	(2,382.21)
	594.56	871.06
Constructed properties		
Cost of land, development and construction	57,427.25	25,053.81
Payment to sub-contractors	-	3.79
	57,427.25	25,057.60
	<b>58,021.81</b>	<b>25,928.66</b>

## Schedules forming part of the financial statements for the year ended March 31, 2006

(Rupees in Lacs)

	2006	2005
<b>Schedule : 17 ► ESTABLISHMENT EXPENSES</b>		
Salaries, wages and bonus	1,392.62	2,803.73
Contribution to provident and other funds	70.45	242.61
Retirement benefits	180.82	173.62
Staff welfare	31.86	112.52
	<b>1,675.75</b>	<b>3,332.48</b>

<b>Schedule : 18 ► FINANCE CHARGES</b>		
Interest		
Fixed periods loans		
Debentures	2.34	–
Others fixed term loans	11,954.22	2,726.33
	<b>11,956.56</b>	<b>2,726.33</b>
Others	1,641.67	268.50
	<b>13,598.23</b>	<b>2,994.83</b>
Guarantee, finance and bank charges	1,016.34	312.45
	<b>14,614.57</b>	<b>3,307.28</b>

<b>Schedule : 19 ► OTHER EXPENSES</b>		
Rent	21.61	63.06
Rates and taxes	139.02	474.69
Electricity	23.27	102.61
Repair and maintenance		
Building	131.30	129.22
Constructed properties/ colonies	128.39	98.28
Others	27.82	78.46
Insurance	15.62	23.48
Commission and brokerage	2,159.24	1,825.36
Advertisement and publicity	452.91	336.01
Travelling and conveyance	226.49	367.98
Vehicles running and maintenance	70.60	107.86
Printing and stationery	128.63	156.89
Directors' fee	0.23	0.18
Sales promotion	62.14	207.38
Communication	56.96	141.04
Payment to auditors	56.21	13.66
Legal and professional	647.14	712.04
Amounts written off	0.05	47.55
Assets written off	–	0.24
Provision for doubtful debts and advances	14.01	–
Provision for diminution in value of investment	–	80.68
Loss on disposal of fixed assets	22.91	51.27
Loss on sale of long term investments	–	0.01
Claims paid	130.20	126.95
Donation and charity	154.07	74.01
Farm expenses	0.13	0.26
Miscellaneous expenses	341.59	163.09
	<b>5,010.54</b>	<b>5,382.26</b>

**DLF LIMITED**

(FORMERLY DLF UNIVERSAL LIMITED)

**Schedules forming part of the financial statements** for the year ended March 31, 2006

(Rupees in Lacs)

	2006	2005
<b>Schedule : 20 ▶ DEPRECIATION</b>		
On fixed assets	302.29	251.95
On Constructed buildings and related equipments	87.91	87.91
	<b>390.20</b>	<b>339.86</b>

<b>Schedule : 21 ▶ PROVISION FOR TAX</b>		
Income tax	12,000.00	2,941.00
Deferred tax	4.07	(22.57)
Fringe benefit tax (net)	42.61	–
	<b>12,046.68</b>	<b>2,918.43</b>

<b>Schedule : 22 ▶ PRIOR PERIOD INCOME (NET)</b>		
Rent	–	0.93
Travelling and conveyance	–	(0.22)
Other expenses	–	(0.04)
	–	<b>0.67</b>

<b>Schedule : 23 ▶ EARNINGS PER SHARE *</b>		
<b>Net profit attributable to equity shareholders</b>		
Profit after tax	22,743.79	6,769.63
Prior period items	–	0.67
Earlier year items :		
Income-tax	107.79	(0.35)
	<b>22,851.58</b>	<b>6,769.95</b>
Nominal value of equity share (Rs.)	2.00	2.00
Weighted average number of equity shares	155,335,024	140,320,280
<b>Basic earnings per share (Rs.)</b>	<b>14.71</b>	<b>4.82</b>
Nominal value of equity share (Rs.)	2.00	2.00
Number of equity shares used to compute diluted earnings per share	155,345,024	140,320,280
<b>Diluted earnings per share (Rs.)</b>	<b>14.71</b>	<b>4.82</b>

\* Refer note no 22, 23 and 24 of schedule 25

## Schedules forming part of the financial statements for the year ended March 31, 2006

### Schedule : 24 ► SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of Accounting

The financial statements are prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

#### 2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates.

#### 3. Fixed assets and depreciation

a) Fixed assets (gross block) are stated at historical cost. Steel shutterings are capitalised at the costs directly relating to their fabrication and are included under plant and machinery.

Depreciation on assets (including buildings and related equipments rented out and included under current assets as stocks) is provided on straight line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 except in the case of steel shuttering where the estimated useful life has been determined as seven years.

b) Amounts paid for leasehold land, are not amortised being on perpetual lease.

#### 4. Investments

Current investments are stated at lower of cost and fair value. Long-term investments are stated at cost and provision for diminution in their value, other than temporary, is made in the accounts.

Profit/ loss on sale of investments is computed with reference to the average cost of investment.

#### 5. Stocks

Stocks are valued as under:

1. Land and plots (including under agreements to sell), other than area transferred to constructed properties at the commencement of construction are valued at cost, approximate average cost or as revalued on conversion to stock, as applicable. Costs include land acquisition cost, estimated internal development costs and external development charges.
2. Constructed properties includes the cost of land (including under agreements to purchase), internal development costs, external development charges, construction costs and development/ construction materials, and is valued at cost or estimated cost, as applicable.
3. Rented buildings and related equipments are valued at cost less depreciation.

#### 6. Revenue recognition

(a) Sale of land and plots is recognised in the financial year in which transfer is made by registration of sale deeds or otherwise in favour of the buyers.

(b) Revenue from constructed properties is recognized on the "Percentage of Completion" method of accounting. Sale consideration receivable as per the agreements to sell constructed properties entered in to is recognized as revenue on the basis of percentage of actual project costs incurred thereon, including land, estimated development and construction cost of such properties, subject to such actual costs incurred being 30 percent or more of the total estimated project cost. The estimates of the saleable area and costs are reviewed periodically by the management and any effect of changes in estimates is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately. (Also see note no 5 of schedule 25.)

#### 7. Profit /Loss from partnership firms

Share of profit / loss from firms in which the Company is a partner is accounted for the financial year ending on (or before) the date of the balance sheet.

#### 8. Rent and license fees, service receipts and interest on installments

Rent and license fees, Service receipts and Interest on installments due from customers is accounted for on accrual basis except in cases where ultimate collection is considered doubtful.

#### 9. Cost of revenues

a) Cost of land and plots includes land acquisition cost, estimated internal development costs and external development charges, which is charged to the profit and loss account proportionate to land / plotted area in respect of which revenue is recognised as per accounting policy No. 6 above, in consonance with the concept of matching cost and revenue. Final adjustment is made on completion of the applicable scheme.

b) Cost of constructed properties includes cost of land (including under agreements to purchase), internal development costs, external development charges, construction costs and development/ construction materials, which is charged to the profit and loss account proportionate to the revenue recognised as per accounting policy No. 6 above, in consonance with the concept of matching cost and revenue. Final adjustment is made on completion of the applicable project.

#### 10. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the profit and loss account.

#### 11. Taxation

Provision for tax for the year comprises current income tax determined to be payable in respect of taxable income and deferred tax being the tax effect of timing

## Schedules forming part of the financial statements for the year ended March 31, 2006

## Schedule : 24 ► SIGNIFICANT ACCOUNTING POLICIES (Contd.)

differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent period(s). Such deferred tax is quantified using rates and laws enacted or substantively enacted as at the end of the financial year.

**12. Foreign currency transactions**

Transactions in foreign currencies and non monetary assets are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted at the year-end rate. Income and expenditure of the liaison office is translated at the yearly average rate.

The exchange differences arising on such conversion and on the settlement of the transactions except for those relating to acquisition of fixed assets, which are adjusted to the carrying amount of related fixed assets are dealt with in the profit and loss account.

**13. Retirement benefits**

Contributions towards provident fund and superannuation scheme, in respect of employees, are made by the Company to approved trusts and charged to the Profit and Loss account on accrual basis. Provision for gratuity liability and for leave salary in respect of unavailed leave of employees payable on retirement or otherwise outstanding as at the date of the balance sheet is made based on an actuarial valuation made by an independent actuary.

**14. Contingent liabilities**

Depending upon facts of each case and after due evaluation of legal aspects, claims against the Company not acknowledged as debt, are treated as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per the original demand without taking into account any interest or penalty that may accrue thereafter.

**15. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events including a bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## Schedule : 25 ► NOTES TO THE FINANCIAL STATEMENTS

**1. Contingent liabilities exist in respect of :**

(Rupees in Lacs)

	2006	2005
a) Guarantees on behalf of :		
Subsidiary companies	124,391.14	30,383.45
Others	27,000.00	12300.00
b) Claims against the Company not acknowledged as debt	5,741.75	4,661.76
c) Demand in excess of provisions (pending in appeals):		
Relating to Income-tax	3,960.00	2,839.54
d) Construction subsidy to customers-under agreement to sell	Amount not ascertainable	
<b>2. Capital expenditure commitments</b>	<b>3,242.91</b>	<b>106.63</b>

**3. Particulars regarding partnership firms in which the Company is a partner**

Name of partnership firms	Profit/Loss Sharing ratios %	Capital (Rs. in lacs)
a) <b>DLF Commercial Projects Corporation</b>		
Partners		
DLF Universal Limited	76	365.00
DLF Housing and Construction Limited	24	4.00
	<b>100</b>	<b>369.00</b>
b) <b>DLF Office Developers</b>		
Partners		
DLF Universal Limited	85	1,170.53
Kirtimaan Builders Limited	5	132.56
Ujagar Estates Limited	5	137.56
Alankrit Estates Limited	5	36.92
	<b>100</b>	<b>1,477. 57</b>

## Schedules forming part of the financial statements for the year ended March 31, 2006

### Schedule : 25 ► NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rupees in Lacs)

Name of partnership firms	Profit/Loss Sharing ratios %	Capital (Rs. in lacs)
<b>c) DLF Property Developers</b>		
<i>Partners</i>		
DLF Universal Limited	92	2,158.64
DLF Housing and Construction Limited	8	14.83
	<b>100</b>	<b>2,173.47</b>
<b>d) DLF Residential Builders</b>		
<i>Partners</i>		
DLF Universal Limited	12	186.87
DLF Commercial Developers Limited	80	1,227.16
Nilgiri Cultivations Private Limited	8	135.05
	<b>100</b>	<b>1549.08</b>
<b>e) DLF Residential Partners</b>		
<i>Partners</i>		
DLF Universal Limited	11	200.00
DLF Commercial Developers Limited	76	1,407.00
DLF Housing and Construction Limited	13	234.00
	<b>100</b>	<b>1,841.00</b>
<b>f) DLF Cyber City (*)</b>		
<i>Partners</i>		
DLF Universal Limited	5	2.50
DLF Housing and Construction Limited	5	2.50
DLF Retail Developers Ltd (Formerly Jai Yatayat Limited)	5	2.50
Cee Pee Maintenance Services Limited	12	6.00
Pee Tee Property Management Services Limited	12	6.00
Silver Oaks Property Management Services Limited	13	6.50
Comfort Buildcon Private Limited	12	6.00
Sunlight Promoters Private Limited	12	6.00
Prompt Real Estate Private Limited	12	6.00
Highvalue Builders Private Limited	12	6.00
	<b>100</b>	<b>50.00</b>
<b>g) DLF Recreational Foundation</b>		
<i>Partners</i>		
DLF Universal Limited	10	28.51
DLF Commercial Developers Limited	75	648.80
DLF Recreational Foundation Private Limited	15	42.76
	<b>100</b>	<b>720.07</b>
<b>h) DLF South Point</b>		
<i>Partners</i>		
DLF Universal Limited	10	582.60
DLF Commercial Developers Limited	80	738.18
DLF Housing and Construction Limited	5	200.44
Nilgiri Cultivations Private Limited	5	356.80
	<b>100</b>	<b>1,878.02</b>
<b>i) Kavicon Partners</b>		
<i>Partners</i>		
DLF Universal Limited	90	135.33
DLF Housing and Construction Limited	5	5.42
Nilayam Builders and Developers Limited	5	47.96
	<b>100</b>	<b>188.71</b>
<b>j) Rational Builders and Developers</b>		
<i>Partners</i>		
DLF Universal Limited	90	32.00
Kirtimaan Builders Limited	5	1.00
Alankrit Estates Limited	5	–
	<b>100</b>	<b>33.00</b>

\* Converted in to public limited company DLF Cyber City Developers Limited with effect from March 2, 2006, under Chapter IX of the Companies Act 1956.

**Schedules forming part of the financial statements** for the year ended March 31, 2006

**Schedule : 25 ► NOTES TO THE FINANCIAL STATEMENTS (Contd.)**
**4. Secured loans**

- a) Loans from banks comprise, term loans, overdraft facilities and bank guarantee limits and are secured by equitable mortgages of certain lands of the Company/ subsidiary Companies or against future receivables of the Company. Vehicle loans are secured by hypothecation of the vehicles thus purchased.
- b) Loan from others is secured by equitable mortgage of certain lands of a subsidiary company at DLF City, Gurgaon.

5. a) The profit/loss from sale of developed plots of land in DLF City, Gurgaon (Complex) is accounted for in the books in the year of registration of the sale deeds/ transfer of ownership. The Complex comprises lands owned by the Company as also those under agreements to purchase entered into with subsidiary/ coordinating companies. In terms of such agreements, the Company has purchased 4.44 lacs sq. mts. of plotted area during the year (Previous year 2.20 lacs sq. mts.) from the land owning companies consequent to registration of the sale deeds/ transfer of ownership in favour of the customers at the average cost of land to the Company and/ or the land owning companies. The average estimated internal development costs and external development charges, in respect of the plots sold have been written off in terms of accounting policy no. 9 stated in schedule 24. Final adjustment, if any, will be made on completion of the applicable schemes / projects.

In respect of houses, flats etc. the construction work of which was substantially completed upto March 31, 1991, revenue is recognised proportionate to sale proceeds, the cost of construction for which has been determined by excluding the cost of land based on market price prevailing at the time of booking of such properties.

Pursuant to the Guidance note on Recognition of Revenue by Real Estate Developers, issued by the Institute of Chartered Accountants of India ("ICAI"), the Company has changed the accounting policy for recognizing revenue in respect of constructed properties including those covered under Agreement to sell commercial space, etc. entered into with subsidiary/ coordinating companies, from the year of registration of the sale deeds of the property to percentage of completion method. In terms of such agreements the Company purchased 0.14 lacs sq. mts. (previous year 0.11 lacs sq. mts.) of such commercial properties from subsidiary/ coordinating companies during the year. Consequent to this change cost of land amounting to Rs. 6,104.36 lacs (previous year Rs. 4,675.21 lacs) has been regrouped from opening stock of land including plots under agreement to sell to stock of constructed properties. Had the Company followed the earlier method of recognizing revenue in the year of registration of the sale deeds of the constructed property, revenue would have been lower by Rs. 83,457.65 lacs and accordingly profits before tax would have been lower by Rs. 31,404.12 lacs.

- b) The profit/loss from sale of agricultural land comprising land owned by the Company and that of its subsidiary/ coordinating companies covered under agreements to sell the land to the Company is accounted for on registration of sale deeds in favour of the customers. The Company has purchased during the year 15.20 acres of land (Previous year 20.30 acres) from the land owning companies consequent to the registration of sale deeds in favour of the customers.
- c) In terms of the agreement with DLF Housing and Construction Limited and Mayur Recreational and Development Limited (merged, effective from April 1, 2003 with Nachiketa Real Estates Limited as per the order of the Hon'ble High Court of Delhi dated July 9, 2004) the Company has agreed to develop their lands along with its own lands at Loni (Ankur Vihar) into a colony. In terms of the said agreement, the Company is entitled to realise and retain the entire sale proceeds and against the same to pay the cost of land, incidentals etc. plus a sum of Rs. 0.10 lacs per acre to the aforesaid land owners on registration of the properties and revenue is recognised on proportionate realisation basis.
- d) In respect of Dilshad Garden II Scheme, the profit/loss on sale of developed plots is accounted by adjusting cost proportionate to the realisations made.

6. Consequent to sale from constructed properties recognised during the year, a sum of Rs 699.51 lacs being proportionate capital reserve, on conversion from fixed assets to stock, has been credited to the Profit and Loss account.

**7. Directors' remuneration\***

(Rupees in Lacs)

	2006	2005
Salaries	463.12	316.45
Commission	660.00	657.00
Directors' fee	0.23	0.18
Provident and other funds	67.59	46.85
Other perquisites and benefits	37.36	26.57
	<b>1,228.30</b>	<b>1,047.05</b>

\* Exclusive of provisions for gratuity and leave salary made in the accounts as per accounting policy No.13 as stated in schedule 24.

**Computation of net profits in accordance with section 349 of the Companies Act, 1956 and commission payable to directors**

<b>Profit before tax as per the Profit and Loss account</b>	<b>34,790.47</b>
Add:	
Directors' remuneration (including directors' fee)	1,228.30
Provision for diminution in value of long term investments	-
Net profit as per section 349 of the Companies Act, 1956	36,018.77
<b>Commission</b>	
Whole-time directors	660.00



## Schedules forming part of the financial statements for the year ended March 31, 2006

### Schedule : 25 ► NOTES TO THE FINANCIAL STATEMENTS (Contd.)

#### 8. Due from directors/ officers.

(Rupees in Lacs)

	2006	2005
Amount due from an officer	15.62	18.28
Maximum balance at any time during the year	18.28	20.89

#### 9. Payment to auditors

Audit fee	35.00	6.00
Tax audit fee	1.50	1.50
Taxation matters	3.50	4.33
Certification and other matters	10.43	1.04
Service Tax	5.76	0.79
	56.19	13.66

#### 10. The following expenses have been directly charged to Work in Progress, adjustable on sale.

Salaries, wages and other benefits	495.65	–
Legal, professional and consultancy	323.20	357.71
Repairs and maintenance of machinery	1.30	0.07
Hire charges of machinery	0.01	0.02
Power and fuel	3.38	1.69
Insurance	54.85	23.64
Finance charges	98.10	22.29
Others	143.87	6.53
	1,120.36	411.95

11. The Company is engaged in the business of colonisation and real estate development, which as per Accounting Standard 17 on "Segment Reporting" issued by the ICAI is considered to be the only reportable business segment. The Company is operating in the same geographical segment.

12. There are no sums which are outstanding for more than 30 days owed by the Company to small scale industrial undertakings.

#### 13. Related Party Disclosures

Information to be disclosed in accordance with AS 18 "Related Party Disclosures" as issued by ICAI.

##### a) Relationship:

##### i) Subsidiary entities at any time during the year

##### Companies

Aadarshini Real Estate Developers Private Limited  
 Abhiraj Real Estate Private Limited  
 Alok Real Estate Developers Private Limited  
 Amishi Builders & Developers Private Limited  
 Ananti Builders & Constructors Private Limited  
 Anjuli Builders & Developers Private Limited  
 Anuroop Builders & Developers Private Limited  
 Avinashi Builders & Developers Private Limited  
 Ayushi Builders & Developers Private Limited  
 Belden Home Private Limited  
 Beverly Park Maintenance Services Limited  
 Bhoruka Financial Services Limited  
 Breeze Constructions Private Limited  
 Carlton Real Estate Developers Private Limited  
 Dalmia Promoters & Developers Private Limited  
 Dhoomketu Builders & Developers Private Limited  
 Dhyani Constructions Private Limited  
 Diwakar Estates Limited  
 DLF Akruiti Info Parks (Pune) Limited  
 DLF Commercial Developers Limited  
 DLF Estate Developers Limited  
 DLF Financial Services Limited  
 DLF Golf Resorts Limited  
 DLF Home Developers Limited  
 DLF Housing & Construction Limited

##### Companies

DLF Info City Developers (Bangalore) Limited  
 DLF Info City Developers (Chandigarh) Limited  
 DLF Info City Developers (Chennai) Limited  
 DLF Info City Developers (Hyderabad) Limited  
 DLF Info City Developers (Kolkata) Limited  
 DLF Info City Developers (Noida) Limited  
 DLF Phase IV Commercial Developers Limited  
 DLF Power Limited  
 DLF Real Estates Limited  
 DLF Retail Developers Limited  
 DLF Services Limited (formerly DT Cinemas Limited)  
 DLF Services Limited (merged with DT Cinemas Limited)  
 Edward Keventor(Successors) Private Limited  
 Eila Builders & Developers Private Limited  
 Falguni Builders Private Limited  
 Ganika Builders Private Limited  
 Garv Developers Private Limited  
 Garv Promoters Private Limited  
 Garv Realtors Private Limited  
 GKS Housing Limited  
 Grism Builders & Developers Private Limited  
 Gulika Home Developers Private Limited  
 Gyan Real Estate Developers Private Limited  
 Jai Luxmi Real Estate Private Limited  
 Jawala Real Estate Private Limited

# DLF LIMITED

(FORMERLY DLF UNIVERSAL LIMITED)

## Schedules forming part of the financial statements for the year ended March 31, 2006

### Schedule : 25 ► NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Companies	Companies
Kairav Real Estate Private Limited. Kamini Home Developers Private Limited Kujjal Builders Private Limited Luvkush Builders Private Limited Monishka Builders & Developers Private Limited Nadish Real Estate Private Limited Natwar Builders & Developers Private Limited NewGen MedWorld Hospitals Limited Nilayam Builders & Developers Private Limited Nilgiri Cultivations Private Limited Nilima Real Estate Developers Private Limited Paliwal Developers Limited Passion Builders & Developers Private Limited. Peace Buildcon Private Limited Prowess Buildcon Private Limited Rajika Estate Developers Private Limited Roadtech Constructions Private Limited Royalton Builders & Developers Pvt .Ltd Sanchali real Estate Developers Private Limited Shivajimarg Properties Limited Shrila Builders & Developers Private Limited Simbala Builders & Developers Private Limited Skyrise Home Developers Private Limited	Solid Buildcon Private Limited Sumedha Home Private Limited Talika Real Estate Developers Private Limited Trisha Real Estate Developers Private Limited Tuhina Real Estate Developers Private Limited Umed Constructions Private Limited Valini Builders & Developers Private Limited Vibhor Home Developers Private Limited Vibodh Developers Private Limited Vinesh Home Developers Private Limited Vismay Builders & Developers Private Limited VSK Investments & Finance Limited Wellington Real Estate Developers Private Limited.  <b>Partnership Firms</b> DLF Commercial Projects Corporation DLF Office Developers DLF Property Developers DLF Recreational Foundation DLF Residential Builders DLF Residential Partner DLF South Point Kavicon Partners Rational Builders
<b>ii) Associates</b>	<b>Associates</b>
Aagney Estate Developers Private Limited Aaliyah Real Estates Private Limited Aaquil Real Estates Private Limited Aaralyn Builders & Developers Private Limited Abadigeal Builders & Developers Private Limited Abhaynanda Estate Developers Private Limited Abheek Real Estate Private Limited Abhigyan Builders & Developers Private Limited Abjayoni Estates Developers Private Limited Acelin Estates Developers Private Limited Adalia Builders & Developers Private Limited Adana Builders & Developers Private Limited Adelie Builders & Developers Private Limited Adeline Builders & Developers Private Limited Adoncia Builders & Developers Private Limited Adriana Builders & Constructions Private Limited Adrienne Builders & Constructions Private Limited Adsila Builders & Developers Private Limited Afaaf Builders & Developers Private Limited Aimee Real Estates Private Limited Ainstey Builders & Developers Private Limited Akanke Builders & Developers Private Limited Akina Builders & Developers Private Limited Akiva Builders & Constructions Private Limited Alana Builders & Developers Private Limited Alastair Builders & Developers Private Limited Aleron Builders & Constructions Private Limited Alethia Builders & Developers Private Limited Alfonso Builders & Developers Private Limited Alita Builders & Developers Private Limited Alton Builders & Developers Private Limited Alyn Builders & Developers Private Limited Amandla Builders & Developers Private Limited Amistad Builders & Developers Private Limited. Amoda Builders & Developers Private Limited Amyas Builders & Developers Private Limited Angelina Real Estates Private Limited	Angus Builders & Developers Private Limited Annabel Builders & Developers Private Limited Arash Real Estates Private Limited Ardara Builders & Developers Private Limited Arlie Builders & Developers Private Limited Armand Builders & Constructions Private Limited Arnon Builders & developers Private Limited Arva Builders & Developers Private Limited Ati Sunder Estates Developers Private Limited Baakir Real Estates Private Limited Babette Real Estates Private Limited Bahitee Builders & Developers Private Limited Balint Real Estates Private Limited Becca Builders & Developers Private Limited Bedelia Builders & Constructions Private Limited Belicia Builders & Developers Private Limited Belva Builders & Developers Private Limited Benecio Builders & Constructions Private Limited Benedict Estates Developers Private Limited Berit Builders & Developers Private Limited Bestvalue Housing & Construction Private Limited Betha Builders & Developers Private Limited Beyla Builders & Developers Private Limited Beyonce Builders & Developers Private Limited Bhamini Real Estate Developers Private Limited Bibiana Real Estates Private Limited Blanca Builders & Developers Private Limited Brenden Estates Developers Private Limited Bridget Builders & Developers Private Limited Brisa Builders & Developers Private Limited Bruce Builders & Constructions Private Limited Byron Builders & Constructions Private Limited Cachet Real Estates Private Limited Cadence Builders & Constructions Private Limited Cadence Real Estates Private Limited Caelan Builders & Developers Private Limited Caia Builders & Developers Private Limited

## Schedules forming part of the financial statements for the year ended March 31, 2006

### Schedule : 25 ► NOTES TO THE FINANCIAL STATEMENTS (Contd.)

#### Associates

Cain Builders & Construction Private Limited  
 Caitlin Builders & Developers Private Limited  
 Calandra Builders & Developers Private Limited  
 Calantha Builders & Developers Private Limited  
 Calista Builders & Constructions Private Limited  
 Calista Real Estates Private Limited  
 Calliope Builders & Developers Private Limited  
 Callista Builders & Constructions Private Limited  
 Calvine Builders & Constructions Private Limited  
 Cambree Builders & Constructions Private Limited  
 Camden Builders & Developers Private Limited  
 Camila Builders & Constructions Private Limited  
 Candace Builders & Constructions Private Limited  
 Candra Builders & Constructions Private Limited  
 Caprice Builders & Constructions Private Limited  
 Capucine Builders & Constructions Private Limited  
 Caraf Builders & Constructions Private Limited  
 Cardea Builders & Constructions Private Limited  
 Caressa Builders & Constructions Private Limited  
 Carlotta Builders & Constructions Private Limited  
 Carlyn Builders & Constructions Private Limited  
 Carmen Builders & Constructions Private Limited  
 Caron Builders & Constructions Private Limited  
 Carrieann Builders & Constructions Private Limited  
 Cascata Builders & Constructions Private Limited  
 Cassia Builders & Developers Private Limited  
 Catherina Builders & Developers Private Limited  
 Catriona Builders & Constructions Private Limited  
 Cayenne Builders & Constructions Private Limited  
 Chakradharee Estates Developers Private Limited  
 Chakrita Real Estate Developers Private Limited  
 Chandrajyoti Estate Developers Private Limited  
 Chevalier Builders & Constructions Private Limited  
 Cian Builders & Developers Private Limited  
 Ciel Builders & Developers Private Limited.  
 Citcia Builders & Developers Private Limited  
 Consuelo Builders & Constructions Private Limited  
 Cyrano Builders & Developers Private Limited  
 Cyrilla Builders & Constructions Private Limited.  
 Dabri Real Estates Private Limited  
 Dae Real Estates Private Limited  
 Damalis Builders & Developers Private Limited  
 Damian Estates Developers Private Limited  
 Delmer Builders & Constructions Private Limited  
 Demeta Estates Developers Private Limited  
 Denton Builders & Developers Private Limited  
 Despine Builders & Developers Private Limited  
 Devadutt Real Estates Private Limited.  
 Devak Builders & Developers Private Limited  
 DLF Cyber City Developers Limited  
 DLF Laing 'O Rourke (India) Private Limited  
 DLF Recreational Foundation Private limited (a company limited by guarantee)  
 Dome Builders & Developers Private Limited  
 Dominga Builders & Constructions Private Limited  
 Dominique Builders & Constructions Private Limited  
 Eadoin Real Estates Private Limited  
 Eban Builders & Developers Private Limited  
 Edha Estate Developers Private Limited  
 Ehan Builders & Construction Private Limited  
 Eirene Builders & Developers Private Limited  
 Ekaparnika Estate Developers Private Limited  
 Elaine Builders & Constructions Private Limited

#### Associates

Eldoris Builders & Developers Private Limited.  
 Eloise Builders & Constructions Private Limited  
 Elton Builders & Developers Private Limited  
 Elvira Builders & Constructions Private Limited  
 Erasma Builders & Developers Private Limited  
 Erma Builders & Developers Private Limited  
 Ernesta Real Estates Private Limited  
 Eskana Builders & Developers Private Limited  
 Ethan Estates Developers Private Limited  
 Eudocia Builders & Developers Private Limited  
 Euphemia Builders & Developers Private Limited  
 Fabrizio Real Estates Private Limited  
 Fadey Builders & Developers Private Limited  
 Fanchon Builders & Developers Private Limited  
 Farica Builders & Developers Private Limited  
 Faye Builders & Constructions Private Limited  
 Felice Real Estates Private Limited  
 Felicite Builders & Constructions Private Limited  
 Ferrol Builders & Developers Private Limited  
 Fidella Estates Developers Private Limited  
 Finian Estates Developers Private Limited  
 Fuensanta Builders & Constructions Private Limited  
 Fulbright Builders & Developers Private Limited  
 Fyme Builders & Constructions Private Limited  
 Galatea Builders & Developers Private Limited.  
 Gallaria Property Management Services Private Limited  
 Galvin Builders & developers Private Limited  
 Gandhari Estate Developers Private Limited  
 Gareth Builders & Constructions Private Limited  
 Gasper Builders & Constructions Private Limited  
 Gavin Builders & Developers Private Limited  
 Gaynell Builders & Developers Private Limited  
 Gazit Builders & Developers Private Limited  
 Genevieve Builders & Developers Private Limited  
 Ghanapriya Builders & Constructions Private Limited  
 Gilon Builders & Developers Private Limited  
 Goddard Builders & Constructions Private Limited  
 Goodvalue Properties Private Limited  
 Gorochana Estates Developers Private Limited  
 Gumvant Real Estates Private Limited  
 Haamid Real Estates Private Limited  
 Hailey Builders & Developers Private Limited  
 Hamilton Builders & Developers Private Limited.  
 Hansel Builders & Developers Private Limited  
 Harinakshi Estate Developers Private Limited  
 Harley Builders & Developers Private Limited  
 Havard Builders & Developers Private Limited  
 Hemadri Real Estate Developers Private Limited  
 Hermelinda Builders & Developers Private Limited  
 Herminda Builders & Developers Private Limited  
 Hubert Builders & Developers Private Limited  
 Iain Real Estates Private Limited  
 Ialeta Builders & Constructions Private Limited  
 Isabel Builders & Developers Private Limited  
 Ishayu Builders & Developers Private Limited  
 Isidro Builders & Developers Private Limited  
 Janya Builders & Developers Private Limited  
 Jayanti Real Estate Developers Private Limited  
 Kaliska Builders & Developers Private Limited  
 Kambod Real Estates Private Limited  
 Kanan Real Estates Private Limited  
 Karena Estates Developers Private Limited  
 Karida Real Estates Private Limited

# DLF LIMITED

(FORMERLY DLF UNIVERSAL LIMITED)

## Schedules forming part of the financial statements for the year ended March 31, 2006

### Schedule : 25 ► NOTES TO THE FINANCIAL STATEMENTS (Contd.)

#### Associates

Kenneth Builders & Developers Private Limited  
Kessare Builders & Developers Private Limited  
Kimothy Builders & Developers Private Limited  
Kokolath Builders & Developers Private Limited  
Kundalika Builders & Developers Private Limited  
Kusumita Builders & Developers Private Limited  
Lacey Builders & Constructions Private Limited  
Lainey Builders & Constructions Private Limited  
Laman Real Estates Private Limited  
Lanza Builders & Constructions Private Limited  
Laraine Builders & Constructions Private Limited  
Larissa Builders & Developers Private Limited  
Latona Builders & Constructions Private Limited  
Laureny Builders & Constructions Private Limited  
Laverne Builders & Developers Private Limited  
Lavinita Builders & Developers Private Limited  
Lavonne Builders & Developers Private Limited  
Lawanda Builders & Developers Private Limited  
Laxmibanta Estates Developers Private Limited  
Leandra Builders & Developers Private Limited  
Lennox Builders & Developers Private Limited  
Leslie Builders & Developers Private Limited  
Lgnacio Real Estates Private Limited  
Lillion Builders & Developers Private Limited  
Linette Builders & Constructions Private Limited  
Lionel Builders & Constructions Private Limited  
Livana Builders & Developers Private Limited  
Lizebeth Builders & Developers Private Limited  
Lonore Real Estates Private Limited  
Lysande Builders & Developers Private Limited  
Mabli Builders & Developers Private Limited  
Madeira Builders & Construction Private Limited.  
Malcolm Builders & Developers Private Limited  
Mangal Shruti Gruh Nirmiti Private Limited  
Manini Real Estates Private Limited.  
Maraka Real Estates Private Limited  
Mariabella Builders & Developers Private Limited  
Mariposa Builders & Developers Private Limited  
Marisha Builders & Developers Private Limited  
Mayukhi Real Estates Private Limited  
Melisenda Builders & Developers Private Limited  
Melosa Builders & Developers Private Limited  
Mireys Builders & Developers Private Limited  
Mohak Real Estate Private Limited  
Monroe Builders & Developers Private Limited  
Montague Builders & Constructions Private Limited  
Muadh Builders & Developers Private Limited  
Muafa Real Estates Private Limited  
Muallim Builders & Developers Private Limited  
Muawiyah Builders & Developers Private Limited  
Muballigh Builders & Developers Private Limited  
Mubashir Real Estates Private Limited  
Mubin Builders & Developers Private Limited  
Mudabbin Real Estates Private Limited  
Mueen Builders & Developers Private Limited  
Mueez Real Estate Private Limited  
Mufallah Builders & Developers Private Limited  
Mughith Real Estates Private Limited.  
Muhannad Builders & Developers Private Limited.  
Muhriz Builders & Developers Private Limited  
Mujaddid Builders & Developers Private Limited  
Murdock Builders & Developers Private Limited  
Mushin Real Estates Private Limited

#### Associates

Nabhoj Builders & Developers Private Limited  
Nairne Builders & Developers Private Limited  
Naja Builders & Developers Private Limited  
Naja Estates Developers Private Limited  
Nasturtium Builders & Developers Private Limited  
Nayef Estates Private Limited  
Necia Builders & Developers Private Limited  
Nedra Builders & Developers Private Limited  
Nelia Builders & Developers Private Limited  
Nellis Builders & Developers Private Limited  
Neole Builders & Developers Private Limited  
Nerice Builders & Developers Private Limited  
Nerina Builders & Developers Private Limited  
Nerra Builders & Developers Private Limited  
Nevili Builders & Constructions Private Limited.  
Nevina Builders & Developers Private Limited  
Niabi Builders & Developers Private Limited  
Odetee Builders & Constructions Private Limited.  
Ogilvy Builders & Developers Private Limited  
Orane Builders & Constructions Private Limited  
Padmavasa Builders & Developers Private Limited  
Paeon Estates Developers Private Limited  
Pariksha Builders & Developers Private Limited  
Philia Estates Developers Private Limited  
Prasheetha Estate Developers Private Limited  
Prateep Estates Private Limited  
Precentor Builders & Developers Private Limited  
Prewitt Builders & Constructions Private Limited  
Purandar Estates Developers Private Limited  
Qabil Builders & Developers Private Limited  
Querida Builders & Developers Private Limited  
Quiddity Builders & Developers Private Limited  
Radwan Real Estates Private Limited  
Raeks Estates Developers Private Limited  
Ragtime Builders & Developers Private Limited  
Ranhita Estate Developers Private Limited  
Rapt Builders & Developers Private Limited  
Redtopaz Real Estate Private Limited  
Regency Park Property Management Services Private Limited  
Rexomme Real Estate Private Limited  
Rochelle Builders & Constructions Private Limited  
Rosalind Builders & Constructions Private Limited  
Rujula Builders & Developers Private Limited  
Sabela Real Estates Private Limited  
Sagardutt Builders & Developers Private Limited  
Saguna Builders & Developers Private Limited  
Sahastrajit Builders & Developers Private Limited  
Samali Builders & Developers Private Limited  
Sansita Estate Developers Private Limited  
Saravati Builders & Constructions Private Limited  
Seaberi Builders & Developers Private Limited  
Seamless Constructions Private Limited  
Seaton Builders & Constructions Private Limited  
Senymour Builders & Constructions Private Limited  
Sephronia Real Estates Private Limited  
Servesh Estate Developers Private Limited  
Shalika Estate Developers Private Limited  
Sharvari Estate Developers Private Limited  
Shikhi Estates Private Limited  
Shinanee Builders & Developers Private Limited  
Shri Gurnam Builders & Developers Private Limited  
Snigdha Builders & Constructions Private Limited  
Solange Builders & Constructions Private Limited

## Schedules forming part of the financial statements for the year ended March 31, 2006

### Schedule : 25 ► NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Associates	Associates
<p>Soleil Builders &amp; Constructions Private Limited  Subodhini Builders &amp; Developers Private Limited  Sudipti Estates Private Limited  Sugreeva Builders &amp; Developers Private Limited  Sukeshi Builders &amp; Developers Private Limited  Tamish Builders &amp; Developers Private Limited  Tamonash Builders &amp; Constructins Private Limited  Tanirika Estate Developers Private Limited  Tapesendra Estate Developers Private Limited  Tapomay Estate Developers Private Limited  Tatharaj Estates Private Limited  Tusti Builders &amp; Developers Private Limited  Udipiti Estate Developers Private Limited  Umberto Builders &amp; Developers Private Limited  Unicorn Real Estate Developers Private Limited  Vamil Builders &amp; Developers Private Limited  Vedavrata Builders &amp; Constructions Private Limited  Vibhat Builders &amp; Constructions Private Limited  Vilina Estate Developers Private Limited  Vinanti Builders &amp; Developers Private Limited</p>	<p>Wagishwari Estates Private Limited  Webcity Builders &amp; Developers Private Limited  Yamalil Estates Developers Private Limited  Zanobi Builders &amp; Constructions Private Limited  Zareb Builders &amp; Developers Private Limited  Zebina Real Estates Private Limited  Zebulon Builders &amp; Developers Private Limited  Zenobia Builders &amp; Developers Private Limited  Zubeda Real Estates Private Limited</p> <p><b>Partnership firms</b>  Atria Partners  DLF City Centre  DLF Commercial Enterprises  DLF Cyber City  DLF Residential Developers  Plaza Partners  Real Estate Builders  Renkon Partners</p>

#### iii) Key management personnel

Name	Designation	Relatives*
a) Mr. K.P. Singh	Chairman	Mrs. Indira K. P. Singh, Mrs. Vikram Devi, Mrs. Kavita Singh, Miss Savitri Devi Singh, Miss. Anushka Singh, Master Rahul Singh Talwar
b) Mr. Rajiv Singh	Vice Chairman	
c) Ms. Renuka Talwar	Whole time Director	
d) Mr. T.C. Goyal	Managing Director	
e) Mr. J.K. Chandra	Sr. Executive Director	
f) Ms. Pia Singh	Whole time Director	
g) Mr. K. Swarup	Executive Director	

\* Relatives of key management personnel (other than key management personnel themselves) with whom there were transactions during the year

#### iv) Other entities under control of the key management personnel and their relatives:

<p>Adept Real Estate Developers Private Limited  Aeshya Estates Private Limited.  Altamount Real Estate Developers Private Limited  Antriksh Properties Private Limited  Anubhav Apartments Private Limited  Aquarius Builders &amp; Developers Private Limited  Bansal Development Co. Private Limited  Beverly Park Operation &amp; Maintenance Services Private Limited  Buland Consultants and Investment Private Limited  Cee Pee Maintenance Services Ltd.  Centre Point Property Management Services Private Limited  Confort Buildcon Private Limited  Desent Promoters and Developers Private Limited  Digital Talkies Private Limited  DLF Investments Private Limited  Excel Housing Construction Private Limited  Glaze Builders &amp; Developers Private Limited  Haryana Electrical Udyog Private Limited  High Value Builders Private Limited  Hitech Property Developers Private Limited  Jagpriya Portfolio and Technofin Services Private Limited  Jhandewalan Ancillaries and Investments Private Limited  Lyndale Holdings Private Limited  Macknion Estates Private Limited  Magna Real Estate Developers Private Limited</p>	<p>Megha Estates Private Limited  Nachiketa Real Estates Private Limited  Northern India Theatres Private Limited  Pace Financial Services Limited  Paliwal Real Estates Private Limited  Panchvati Estates Private Limited  Parvati Estates Private Limited  Pee Tee Property Management Services Ltd.  Power Overseas Private Limited  Prem Traders and Investments Private Limited  Prompt Real Estate Private Limited  Pushpak Builders and Developers Private Limited  Pushpavali Builders &amp; Developers Private Limited  Raisina Agencies &amp; Investments Private Limited  Rajdhani Investments and Agencies Private Limited  Realest Builders &amp; Services Private Limited  Renkon Agencies Private Limited  Sagarika Real Estate Developers Private Limited  Sanidhya Constructions Private Limited  Savitri Studs &amp; Farming Company Private Limited  Silver Oaks Property Management Services Ltd.  Sketch Investment Private Limited  Solace Housing and Construction Private Limited  Sudarshan Estates Private Limited  Sukh Sansar Housing Private Limited</p>
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# DLF LIMITED

(FORMERLY DLF UNIVERSAL LIMITED)

## Schedules forming part of the financial statements for the year ended March 31, 2006

### Schedule : 25 ► NOTES TO THE FINANCIAL STATEMENTS (Contd.)

#### iv) Other entities under control of the key management personnel and their relatives (Contd.):

Sukomal Builders & Developers Private Limited  
Sulekha Builders & Developers Private Limited  
Sunlight Promoters Private Limited  
Super Mart One Property Management Services Private Limited  
Super Mart Two Property Management Services Private Limited  
Ultima Real Estate Developers Private Limited  
Universal Management & Sales Private Limited  
Upeksha Real Estate Developers Private Limited  
Uplift Real Estate Developers Private Limited  
Urva Real Estate Developers Private Limited  
Uttam Builders and Developers Private Limited  
Vanutsar Properties Private Limited  
Vishal Foods and Investments Private Limited  
Windsor Complex Property Management Services Private Limited

#### Private companies with unlimited liability and Trusts

Adampur Agricultural Farm  
Arihant Housing Company  
Ch.Lal Chand Memorial Charitable Trust  
DLF Finance Corporation  
DLF M.T.FBD Medical and Community Facility Charitable Trust  
DLF Q.E.C. Educational Charitable Trust  
DLF Q.E.C. Medical Charitable Trust  
DLF Raghvendra Temple Trust

Gangrol Agricultural Farm  
General Marketing Corporation  
Indira Trust  
Kohinoor Real Estates Company  
Krishna Public Charitable Trust  
Lal Chand Public Charitable Trust  
Madhukar Housing and Development Company  
Madhur Housing and Development Company  
Mallika Housing Company  
Panchsheel Investment Company  
Pia Pariwar Trust  
Prem's Will Trust  
Raghvendra Public Charitable Trust  
Rajiv Kavita Trust  
Rekan & Co.  
Renuka Pariwar Trust  
Renuka Rahul Trust  
Sambhav Housing and Development Company  
Sidhant Housing and Development Company  
Smt.Savitri Devi Memorial Charitable Trust  
Trinity Housing and Construction Company  
Udyan Housing and Development Company  
Uttam Real Estates Company

#### b) The following transactions were carried out with related parties in the ordinary course of business

(Rupees in Lacs)

Description	Subsidiary Companies		Associates	
	2006	2005	2006	2005
Sale of land, properties and material	8.18	50.71	—	—
Sale of fixed assets	575.73	—	—	40.74
Interest income	9,121.81	2,080.32	4,024.71	101.39
Miscellaneous income	20.46	23.71	—	—
Rent received	10.15	6.89	—	—
Maintenance and service charges paid	232.46	240.83	—	1.75
Expenses recovered	2,369.45	187.95	3,177.02	74.56
Purchase of land and material	7,877.07	5,155.49	—	2.28
Purchase of fixed assets	—	—	—	10.04
Rent paid	1.40	1.40	—	9.31
Interest paid	3.79	8.90	—	0.31
Business promotion	—	18.20	—	3.89
Expenses paid	267.60	204.42	126.77	74.82
Investment sold	0.10	—	—	—
Interest received on debentures	307.88	—	647.97	—
Loans given	110,528.11	40,758.64	5,456.62	11,112.91
Guarantees given	91,400.00	16,316.00	8,000.00	12,300.00
Advances received under agreement to sell	20.00	149.50	531.67	34.50
Advance received under agreement to sell refunded	44.00	—	333.11	—
Advance paid under agreement to purchase	4,208.73	—	1,200.00	—
<b>Balance at the end of the year</b>				
Debtors	8.76	—	—	—
Advances given	172,226.15	52,260.25	35,976.68	28,235.87
Earnest money and part payments under agreement to purchase land/ constructed properties	6,248.23	11,568.07	—	29.70
Expenses recoverable	—	1.32	—	0.34
Creditors/payables	621.90	470.35	—	589.99
Inter corporate deposit	33.50	33.50	—	—
Guarantees given	151,391.14	30,383.45	27,000.00	12,300.00
Advances received under agreement to sell	63.74	116.87	198.56	314.34

## Schedules forming part of the financial statements for the year ended March 31, 2006

### Schedule : 25 ► NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(Rupees in Lacs)

Description	Key Management Personnel (KMP) & their relatives		Enterprises over which KMP is able to exercise significant influence	
	2006	2005	2006	2005
Purchase of land and materials	–	–	50.51	18.87
Remuneration paid	1,228.08	1046.87	–	–
Rent paid	–	–	54.17	42.75
Interest paid	5.51	5.87	18.52	9.82
Rent received	–	–	1.04	1.04
Fixed deposit refunded	3.75	–	5.80	–
Expenses recovered	–	–	2.47	–
Advances received under agreement to sell refunded	–	–	312.00	–
Inter corporate deposit received	–	–	132.50	–
Inter corporate deposit refunded	–	–	106.85	–
Debentures issued	214.34	–	3,204.74	–
Debentures converted in to Equity Shares	214.34	–	3,204.74	–
Claim paid	–	–	117.00	–
<b>Balance at the end of the year</b>				
Advances given	–	–	5.11	5.11
Earnest money and part payments under agreement to purchase land/ constructed properties	–	–	220.74	271.85
Expenses recoverable	–	–	–	0.03
Amount recoverable from registered trusts	–	–	–	16.45
Rent recoverable	–	–	–	1.30
Creditors/payables	729.43	725.94	225.44	112.53
Advances received under agreement to sell	28.03	28.03	283.48	445.69

#### 14. Details of stocks, purchases and turnover - Land and plots (including development cost)

	2006		2005	
	Area (in acres)	Amount (Rs. in lacs)	Area (in acres)	Amount (Rs. in lacs)
Opening stock	8.55	2,382.21	8.98	2,689.16
Purchases / Transfer	17.10	336.37	30.88	564.11
Sales	17.27	1,789.22	31.31	450.59
Closing stock	8.38	2,124.02	8.55	2,382.21

#### 15. Information to be disclosed in accordance with Accounting Standard 19 on "Leases", as issued by the ICAI.

Class of assets	Gross block as on March 31, 2006	depreciation for the year 2005-06	cumulative depreciation as on March 31, 2006
A) Fixed Assets			
Land			
Lease hold	225.85		–
Free hold	395.26		–
Building	5,266.73	85.07	248.07
B) Current assets			
(Constructed buildings and related equipments including land)			
Lease hold	3,041.63	51.92	741.68
Free hold	2,575.47	35.99	313.70

# DLF LIMITED

(FORMERLY DLF UNIVERSAL LIMITED)

## Schedules forming part of the financial statements for the year ended March 31, 2006

### Schedule : 25 ► NOTES TO THE FINANCIAL STATEMENTS (Contd.)

#### 16. Details of Capital work-in-progress as on March 31, 2006

(Rupees in Lacs)

	2006	2005
Land (freehold)	37,458.67	37,792.84
Development and construction expenses	4,770.08	783.98
Finance charges	3,026.31	1,463.08
Capital advances	417.64	623.30
	45,672.70	40,663.20

#### 17. Expenditure in foreign currency (On cash basis)

Travelling	137.52	107.09
Professional charges	433.01	116.85
Others	203.35	95.55

#### 18. Investment in Joint Ventures

(Information as per Accounting Standard AS- 27 – " Financial Reporting of Interest in Joint Ventures" issued by the ICAI.)

The interest of the Company in major Joint Ventures are listed below:

Joint venture	Location	Principal Activities	Ownership Interest
1 Niharika Shopping Mall Joint Venture	Mumbai	Development and Construction of Shopping Mall	50%
2 Mount Mary Joint Venture	Mumbai	Development and Construction of Residential Building	50%

The company's share of the asset, liabilities, income and expenditure of the significant Joint Venture has been accounted for by the proportional consolidation method as follows

(Rupees in Lacs)

	2006	2005
<b>Amount in respect of Niharika Shopping Mall Joint Venture - Balance Sheet</b>		
Reserves and Surplus	0.18	-
Inventories	4,776.74	-
Cash and bank	14.59	-
Loans and advances	0.02	-
Current liabilities and provisions	173.17	-
<b>Amount in respect of Niharika Shopping Mall Joint Venture - Statement of Profit and Loss</b>		
Selling ,General and Administrative expenses	0.15	-
Interest Received	0.33	-
Net Profit	0.18	-

#### 19. Dividend to non-resident shareholders (in foreign currency)

No. of shareholders	1	1
No. of shares held	400	400
Dividend remitted	0.02	0.02
Year to which it relates	2005	2004

#### 20. Receipts in foreign currency (On cash basis )

Receipts from customers (against agreements to sell)	11,157.39	7,582.86
Interest from customers (under agreement to sell)	19.04	43.22



## Schedules forming part of the financial statements for the year ended March 31, 2006

### Schedule : 25 ► NOTES TO THE FINANCIAL STATEMENTS (Contd.)

21. The scheme of amalgamation under section 391-394 of the Companies Act, 1956, of DLF Power Limited and DLF Phase IV Commercial Developers Limited (subsidiaries of DLF Universal Limited) with DLF Universal Limited is under process and hence, no effect has been given in the financial statements.
22. During the year, the Company issued 3,426,024, "2% Unsecured Optionally Convertible Debentures" to the share holders of the Company on a right basis, in the ratio of 1 debenture of Rs. 100 for each equity share of Rs. 10/- held. Further, vide resolutions passed in the meetings of Board of Directors held on March 28, 2006, and on March 31, 2006, except for 25 debentures, all such debentures were converted in to fully paid equity shares, at par, by issuing 10 equity shares for each debenture. As a result of conversion, the paid-up share capital of the Company increased by 34,259,990 equity shares of Rs.10/- each.
23. Events occurring after the Balance sheet date:
- On April 17, 2006, the Board approved conversion of the balance 25, 2% Unsecured Optionally Convertible Debentures into equity shares, at par, by issuing 10 equity shares of Rs.10/-each for each debenture.
  - On May 2, 2006, the Company has issued seven Bonus shares for each share held by the shareholders on record as on April 27, 2006 by utilizing its free reserves and share premium balance.
  - On May 2, 2006, the equity shares of face value of Rs. 10/- each has been sub-divided in to five equity shares of Rs. 2/ each
24. Earnings per share data in Schedule no. 23 for all periods presented, has been adjusted to reflect the bonus issue and share split in terms of Accounting Standard (AS) 20 on " Earning Per Share".
25. Amounts based on estimates not provided/ under provided in previous years are accounted for in the year of final settlement or adjustment.
26. Previous year figures have been regrouped/ recast wherever considered necessary to make them comparable with those for the current year.



On behalf of the Board of Directors

**Ramesh Sanka**  
Chief Financial Officer

**Hari Haran**  
Company Secretary cum Chief  
Executive (Corporate Affairs)

**Rajiv Singh**  
Vice Chairman

**K Swarup**  
Executive Director- Legal

**T. C. Goyal**  
Managing Director

Place: New Delhi  
Dated: May 2, 2006

For **Walker, Chandiok & Co.**  
Chartered Accountants

**Vinod Chandiok**  
Partner  
Membership No.: 10093  
Place: New Delhi  
Dated: May 11, 2006

# DLF LIMITED

(FORMERLY DLF UNIVERSAL LIMITED)

## Balance Sheet Abstract and Company's General business profile

### I. Registration Details

Registration No.  State Code

Balance Sheet Date   
Date Month Year

### II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue  Rights Issue

Bonus Issue  Private Placement

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities  Total Assets

#### Sources of Funds

Paid-up Capital  Reserves & Surplus\*

Secured Loans  Unsecured Loans

\*Inclusive of revaluation Reserves

#### Application of Funds

Net Fixed Assets  Investments

Net Current Assets  Misc. Expenditure

Accumulated Losses

### IV. Performance of Company (Amount in Rs. Thousand)

Turnover and other income  Total Expenditure

Turnover

Other income

Profit before Tax  Profit after tax

Earnings per shares in Rs.  Dividend Rate %   
(prorate on right issue)

### V. Generic Names of Three principal products / services of the Company

Not applicable, since the company is neither engaged in manufacturing activities nor in service rendering.

On behalf of the Board of Directors

Ramesh Sanka  
Chief Financial Officer

Hari Haran  
Company Secretary cum Chief  
Executive (Corporate Affairs)

Rajiv Singh  
Vice Chairman

K Swarup  
Executive Director- Legal

T. C. Goyal  
Managing Director

Place: New Delhi  
Dated: May 2, 2006

# Consolidated Auditors' Report

To  
The Board of Directors of DLF Universal Limited

We have audited the attached consolidated balance sheet of DLF Universal Limited ("the Company") its subsidiaries and joint ventures (as per list appearing in Note 3 on Schedule 22) collectively referred to as "the DLF Group", as at March 31, 2006 and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on the date annexed thereto. These financial statements are the responsibility of the DLF Group's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of some consolidated entities, whose financial statements reflect total assets of Rs. 205,970 lacs as at March 31, 2006, the total revenue of Rs. 30,183 lacs and cash flows amounting to Rs. 612 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion in respect thereof is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by DLF Group's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements and Accounting Standard 27, Financial

Reporting of Interests in Joint Venture, issued by the Institute of Chartered Accountants of India.

Based on our audit and consideration of reports of other auditors on the separate financial statements of some consolidated entities and on the other financial information of the components, and to the best of our information and according to the explanations given to us and subject to note 11 on schedule 23 regarding recoverability of debts outstanding aggregating to Rs. 6,556.82 lacs, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:

- (a) the consolidated balance sheet, of the state of affairs of the DLF Group as at March 31, 2006;
- (b) the consolidated profit and loss account, of the profit for the year ended on that date; and
- (c) the consolidated cash flow statement, of the cash flows for the year ended on that date.

For **Walker, Chandiok & Co**  
Chartered Accountants

New Delhi  
Date: May 11, 2006

**Vinod Chandiok**  
Partner  
Membership No. 10093

# DLF LIMITED AND SUBSIDIARIES

(FORMERLY DLF UNIVERSAL LIMITED)

## Consolidated Balance Sheet as at March 31, 2006

(Rupees in Lacs)

	Schedule	2006
<b>SOURCES OF FUNDS</b>		
Shareholders' funds		
Capital	1	3,776.80
Reserves and surplus	2	96,607.14
		100,383.94
Minority interests		540.56
Loan funds		
Secured loans	3	395,599.98
Unsecured loans	4	17,604.13
		413,204.11
Deferred tax liability (net)	5	1,832.71
		<b>515,961.32</b>
<b>APPLICATION OF FUNDS</b>		
Goodwill		84,997.49
Fixed assets	6	
Gross block		82,657.84
Less: Depreciation		18,869.05
Net block		63,788.79
Capital work in progress		92,102.88
Investments	7	83,000.78
Pre-operative expenses (pending allocation)		28.23
Current assets, loans and advances		
Stocks	8	180,184.23
Sundry debtors	9	65,806.45
Cash and bank balances	10	19,498.56
Loans and advances	11	106,160.18
Other current assets	12	248.26
		371,897.68
Less : Current liabilities and provisions		
Current liabilities	13	146,211.80
Provisions	14	33,642.73
		179,854.53
Net current assets		192,043.14
		<b>515,961.32</b>
Significant accounting policies	22	
Notes to the consolidated financial statements	23	

The schedules referred to above form an integral part of the Consolidated financial statements.

On behalf of the Board of Directors

**Ramesh Sanka**  
Chief Financial Officer

**Hari Haran**  
Company Secretary cum Chief  
Executive (Corporate Affairs)

**Rajiv Singh**  
Vice Chairman

**K Swarup**  
Executive Director- Legal

**T. C. Goyal**  
Managing Director

Place : New Delhi  
Dated: May 2, 2006

This is the Consolidated Balance Sheet referred to in our report of even date  
For **Walker, Chandiok & Co.**  
Chartered Accountants

**Vinod Chandiok**  
Partner  
Membership No.: 10093  
Place: New Delhi  
Dated: May 11, 2006

# Consolidated Profit and Loss account for the year ended March 31, 2006

(Rupees in Lacs)

	Schedule	2006
<b>INCOME</b>		
Sales and other income	15	196,022.41
		<b>196,022.41</b>
<b>EXPENDITURE</b>		
Cost of revenues	16	92,760.19
Establishment expenses	17	3,953.77
Finance charges	18	16,847.86
Other expenses	19	11,859.45
Depreciation	20	3,582.45
		<b>129,003.72</b>
Profit before tax and minority interests		<b>67,018.69</b>
Provision for tax	21	25,903.30
Profit before minority interests		<b>41,115.39</b>
Minority interests		<b>(95.84)</b>
Profit after tax and minority interests		<b>41,019.55</b>
Earlier year items / adjustments :		
Income tax (net)		82.62
Depreciation		0.61
Net profit		<b>41,102.79</b>
Balance as per last balance sheet		<b>45,342.19</b>
Transfer from Capital reserve		<b>824.36</b>
Balance available for appropriation		<b>87,269.33</b>
<b>APPROPRIATION</b>		
General reserve		2,700.00
Dividend on equity shares (Proposed)		155.33
Tax on dividend		21.79
Balance carried to balance sheet		<b>84,392.21</b>
		<b>87,269.33</b>
Significant accounting policies	22	
Notes to the consolidated financial statements	23	

The schedules referred to above form an integral part of the Consolidated financial statements.

On behalf of the Board of Directors

**Ramesh Sanka**  
Chief Financial Officer

**Hari Haran**  
Company Secretary cum Chief  
Executive (Corporate Affairs)

**Rajiv Singh**  
Vice Chairman

**K Swarup**  
Executive Director- Legal

**T. C. Goyal**  
Managing Director

Place : New Delhi  
Dated: May 2, 2006

This is the Consolidated Profit and Loss Account referred to in our report of even date  
For **Walker, Chandiok & Co.**  
Chartered Accountants

**Vinod Chandiok**  
Partner  
Membership No.: 10093  
Place: New Delhi  
Dated: May 11, 2006

# DLF LIMITED AND SUBSIDIARIES

(FORMERLY DLF UNIVERSAL LIMITED)

## Consolidated Cash Flow Statement for the year ended March 31, 2006

(Rupees in Lacs)

	2006
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>	
Net profit before tax and minority interest	67,018.69
Adjustments for:	
Depreciation	3,582.45
Profit on sale of fixed assets (net)	(511.10)
Provision for doubtful debts	1,852.71
Profit on sale of current investments	(586.12)
Interest/Dividend income	(7,152.80)
Interest expense	16,847.86
Operating profit before working capital changes	81,051.69
Adjustments for:	
Trade and other receivables	(83,257.92)
Stocks	(69,955.89)
Trade and other payables	(4,340.81)
	(157,554.62)
Direct taxes paid (net of refunds)	(7,512.70)
Net cash used in operating activities	(84,015.63)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>	
Purchase of fixed assets/Capital work in progress	(64,665.17)
Pre operative expenses	(28.23)
Proceeds from sale of fixed assets	1,390.97
Interest/Dividend received	6,772.77
Purchase of investments	(80,155.01)
Acquisition of subsidiaries	(75,813.98)
Minority interest	112.73
Proceeds from sale of current investment	656.02
Net cash used in investing activities	(211,729.90)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>	
Proceeds from issue of debentures*	3,426.00
Proceeds from long term borrowings	350,844.99
Repayment of long term borrowings	(54,491.66)
Proceeds from short term borrowings, net	20,091.22
Dividend paid	(159.16)
Interest paid	(14,882.92)
Net cash from financing activities	304,828.47
Net increase in cash and cash equivalents	9,082.96
Cash and cash equivalents at the beginning	1,965.72
Cash and cash equivalents at the close	11,048.68
<b>Notes:</b>	
Cash and cash equivalents include:	
Cash and cheques in hand / in transit	255.46
Balance with banks	10,793.22
	11,048.68
Excluding the following:	
in fixed deposit account (pledged)	8,449.88
Balance as per books of account	19,498.56
<b>*Supplimentry disclosure</b>	
Subsequently converted into equity shares of Rs 10/- each (Refer note 13 on Schedule 23)	3,426.00

On behalf of the Board of Directors

Ramesh Sanka  
Chief Financial Officer

Hari Haran  
Company Secretary cum Chief  
Executive (Corporate Affairs)

Rajiv Singh  
Vice Chairman

K Swarup  
Executive Director- Legal

T. C. Goyal  
Managing Director

Place : New Delhi  
Dated: May 2, 2006

This is the Consolidated Cash Flow referred to in our report of even date  
For Walker, Chandiok & Co.  
Chartered Accountants

Vinod Chandiok  
Partner  
Membership No.: 10093  
Place: New Delhi  
Dated: May 11, 2006

## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

(Rupees in Lacs)

	2006
<b>Schedule : 1 ► SHARE CAPITAL</b>	
<b>Authorised</b>	
39,500,000 (Previous year 4,500,000) Equity shares of Rs 10/- each	3,950.00
50,000 Cumulative redeemable preference shares of Rs 100/- each	50.00
	<b>4,000.00</b>
<b>Issued</b>	
37,878,300 Equity shares of Rs 10/- each	3,787.83
<b>Subscribed and paid</b>	
37,767,997 Equity shares of RS.10/- each fully paid	3,776.80
	<b>3,776.80</b>

**Note:** Out of the above 1,175,570 Equity shares fully paid were allotted without payment being received in cash.

<b>Schedule : 2 ► RESERVES AND SURPLUS</b>	
<b>Reserves</b>	
Capital reserve	432.91
Capital redemption reserve	1,479.54
Amalgamation reserve	74.30
Share premium	2,140.73
Statutory reserve fund	205.07
Contingency reserve	900.00
General reserve	6,982.38
<b>Surplus</b>	
As per Profit and Loss account	84,392.21
	<b>96,607.14</b>

<b>Schedule : 3 ► SECURED LOANS</b>	
<b>Debentures</b>	
90, 10% Non - Cumulative Non-redeemable debentures of Rs. 1,000/-each	0.90
	<b>0.90</b>
<b>From banks</b>	
Term loans	244,105.98
Overdraft facilities	39,227.37
	<b>283,333.35</b>
<b>From others</b>	
GE Capital Services India Limited	3,296.67
Infrastructure Development Finance Company Limited	15,000.00
IL & FS Trust Company Limited	15,700.00
Housing Development Finance Corporation Limited	78,200.00
Interest accrued and due on the above	69.06
	<b>112,265.73</b>
	<b>395,599.98</b>

<b>Schedule : 4 ► UNSECURED LOANS</b>	
Fixed deposits	54.28
Interest accrued and due	0.11
	<b>54.39</b>
<b>Other term loans and advances</b>	
2,262,000, 9% Unsecured Redeemable Non - Convertible Debentures of Rs. 100/- each	2,612.42
25, 2% Unsecured Optionally Convertible Debentures of Rs. 100/- each (net of call in arrear)	- #
Interest accrued and due on debentures	1.82
Refundable long term security deposit	6,043.10
From Banks - Foreign currency loan	6,630.40
	<b>17,604.13</b>

# Rounded off to 'Zero' (Debenture face value Rs 2,500/-), less call in arrear Rs 2,250/-)

# DLF LIMITED AND SUBSIDIARIES

(FORMERLY DLF UNIVERSAL LIMITED)

## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

(Rupees in Lacs)

	2006
<b>Schedule : 5 ► DEFERRED TAX LIABILITY (NET)</b>	
Deferred tax liability arising on account of :	
Depreciation	2,111.93
Deduction claimed under the provisions of Income tax Act, 1961	165.70
	<b>2,277.63</b>
Less :	
Deferred tax asset arising on account of :	
Brought forward losses	29.24
Expenditure debited to profit and loss account but allowable for tax purposes in subsequent years	1.42
Doubtful debts and advances	11.85
Diminution in the value of investments	27.16
Retirement benefits	375.25
	<b>444.92</b>
	<b>1,832.71</b>

	2005	Additions	Deletions/Adjustments	2006
<b>Schedule : 6 ► FIXED ASSETS</b>				
<b>Gross block</b>				
Land				
Lease hold	295.90	-	-	295.90
Free hold	7,638.75	6,485.03	256.58	13,867.20
Buildings	11,042.64	15,870.24	-	26,912.88
Leasehold improvements	466.87	193.69	-	660.56
Plant and machinery	32,710.13	3,621.54	610.31	35,721.36
Furniture, fixtures and equipments	1,320.05	160.27	21.07	1,459.25
Air conditioners and coolers	270.84	12.25	2.63	280.46
Vehicles	1,147.28	275.49	73.44	1,349.33
Computer softwares	72.20	73.09	-	145.29
Leased plant and machinery	1,965.61	-	-	1,965.61
<b>Total - Current Year</b>	<b>56,930.27</b>	<b>26,691.60</b>	<b>964.03</b>	<b>82,657.84</b>
<b>Depreciation</b>				
Land-Lease hold	5.26	0.75	-	6.01
Buildings	1,136.72	496.33	0.61	1,632.44
Leasehold improvements	41.27	40.43	-	81.70
Plant and machinery	11,822.26	2,614.55	33.16	14,403.65
Furniture, fixtures and equipments	548.72	149.04	12.33	685.43
Air conditioners and coolers	64.78	13.19	0.64	77.33
Vehicles	381.79	122.45	37.42	466.82
Computer softwares	17.84	23.62	-	41.46
Leased plant and machinery	1,474.21	-	-	1,474.21
<b>Total - Current Year</b>	<b>15,492.85</b>	<b>3,460.36</b>	<b>84.16</b>	<b>18,869.05</b>
<b>Net block</b>				
Land				
Lease hold	290.64			289.89
Free hold	7,638.75			13,867.20
Buildings	9,905.92			25,280.44
Leasehold improvements	425.60			578.86
Plant and machinery	20,887.87			21,317.71
Furniture, fixtures and equipments	771.33			773.82
Air conditioners and coolers	206.06			203.13
Vehicles	765.49			882.51
Computer Softwares	54.36			103.83
Leased plant and machinery	491.40			491.40
<b>Total - Current Year</b>	<b>41,437.42</b>			<b>63,788.79</b>



# Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

(Rupees in Lacs)

	Class *	Share (No.)	2006 Book value
<b>Schedule : 7 ► INVESTMENTS</b>			
<b>Long Term</b>			
<b>In Shares (Quoted)</b>			
Colgate Palmolive India Ltd.	Equity	100	0.16
Dr. Reddy's Laboratories Ltd.	Equity	40	0.36
HCL Technologies Ltd.	Equity	150	0.22
HDFC Bank Ltd.	Equity	100	0.22
Hindustan Lever Ltd.	Equity	100	0.21
ICICI Ltd.	Equity	500	0.24
India Cement Ltd.	Equity	500	0.15
Infosys Technologies Ltd.	Equity	10	0.25
ITC Ltd.	Equity	50	0.30
Larsen & Tubro Ltd.	Equity	150	0.24
Mahindra & Mahindra Ltd.	Equity	200	0.12
NIIT Ltd.	Equity	200	0.21
Punjab Tractors Ltd.	Equity	100	0.14
Ranbaxy Laboratories Ltd.	Equity	25	0.17
Reliance Industries Ltd.	Equity	190	0.53
State Bank of India	Equity	150	0.26
GlaxoSmithkline consumer Health Care Ltd. (Smithkline Beecham)	Equity	50	0.20
Tata Motors Ltd	Equity	200	0.14
TISCO Ltd.	Equity	200	0.15
Wipro Ltd.	Equity	25	0.24
Zee Telefilms Ltd.	Equity	200	0.15
<b>Aggregate Book value of Quoted Investments</b>			<b>4.66</b>
<b>Aggregate Market value of Quoted Investments</b>			<b>20.31</b>
<b>In shares (Unquoted)</b>			
Hughes Software Systems Ltd.	Equity	100	0.50
<b>In shares (Trade Investments Unquoted)</b>			
Alankrit Estates Limited	Equity	3	—
Kujjal Builders and Developers Limited	Equity	5,000	0.50
Jai Luxmi Real Estates Limited	Equity	32,500	3.25
Magna Real Estates Private Limited	Equity	10,075	1.01
	Preference	40,300	4.03
Galleria Property Management Services Limited	Equity	3,274	0.33
Super Mart One Property Management Services Private Limited	Equity	40,000	4.03
	Preference	3,000	3.02
Northern India Theaters Private Limited (of Rs 100/- each)	Equity	90	0.09
Digital Talkies Private Limited	Equity	8,850	88.50
	Preference	80,680	80.68
Nachiketa Real Estate Private Limited	Preference	12,000	12.00
Paliwal Real Estate Limited	Equity	10,075	1.01
	Preference	250,300	25.03
Unicorn Real Estate Developers Private Limited	Equity	4,000	0.40
Abheek Real Estate Private Limited	Equity	3,000	0.30
Mohak Real Estate Private Limited	Equity	3,000	0.30
Abhigyan Builders & Developers Private Limited	Equity	6,000	0.60
Hemadri Real Estate Developers Private Limited	Equity	4,000	0.40
Best Value Housing & Construction Private Limited	Equity	6,000	0.60
Good Value Properties Private Limited	Equity	4,000	0.40
Seamless Construction Private Limited	Equity	6,000	0.60
Hamilton Builders & Developers Private Limited	Equity	6,000	0.60
Dominique Builders & Construction Private Limited	Equity	2,000	0.20
Ialeta Builders & Construction Private Limited	Equity	2,000	0.20
Montague Builders & Construction Private Limited	Equity	2,000	0.20
Prewitt Builders & Construction Private Limited	Equity	2,000	0.20
Murdock Builders & Developers Private Limited	Equity	2,000	0.20
Muhannad Builders & Developers Private Limited	Equity	2,000	0.20
Lioinel Builders & Constructions Private Limited	Equity	2,000	0.20

# DLF LIMITED AND SUBSIDIARIES

(FORMERLY DLF UNIVERSAL LIMITED)

## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

(Rupees in Lacs)

	Class *	Share (No.)	2006 Book value
<b>Schedule : 7 ► INVESTMENTS (Contd.)</b>			
Ciel Builders & Developers Private Limited	Equity	2,000	0.20
Nevili Builders & Construction Private Limited	Equity	2,000	0.20
Prowess Buildcon Private Limited	Equity	3,000	0.35
Kokolath Builders & Developers Private Limited	Equity	2,000	0.30
Nerice Builders & Developers Private Limited	Equity	2,000	0.20
Hermelinda Builders & Developers Private Limited	Equity	2,000	0.20
Alita Builders & Developers Private Limited	Equity	2,000	0.20
Adonica Builders & Developers Private Limited	Equity	2,000	0.20
Byron Builders & Construction Private Limited	Equity	2,000	0.20
Orane Builders & Construction Private Limited	Equity	2,000	0.20
Amistad Builders & Developers Private Limited	Equity	2,000	0.20
Mubin Builders & Developers Private Limited	Equity	2,000	0.20
Lysander Builders & Developers Private Limited	Equity	2,000	0.20
Galatea Builders & Developers Private Limited	Equity	2,000	0.20
Amalanda Builders & Developers Private Limited	Equity	2,000	0.20
Mohak Real Estate Private Limited.	Equity	3,000	0.30
Webcity Builders & Developers Private Limited	Equity	3,000	0.30
Ishayu Builders & Developers Private Limited	Equity	4,000	0.70
DLF Laing O'Rourke(India) Private Limited	Equity	2,525,000	252.50
Delmer Builders & Construction Private Limited	Equity	2,000	0.20
Eskana Builders & Developers Private Limited	Equity	2,000	0.20
Mughith Real Estate Private Limited	Equity	2,000	0.20
Odette Builders & Construction Private Limited	Equity	2,000	0.20
Eldoris Builders & Developers Private Limited	Equity	2,000	0.20
Soleil Builders & Construction Private Limited	Equity	2,000	0.20
Fuensanta Builders & Constructions Private Limited	Equity	2,000	0.20
Berit Builders & Developers Private Limited	Equity	2,000	0.20
Manini Real Estate Private Limited	Equity	2,000	0.20
Madeira Builders & Constructions Private Limited	Equity	2,000	0.20
Anuroop Builders & Developers Private Limited	Equity	10,000	1.00
Garv Developers P Limited	Equity	10,000	1.00
Garv Promoters P Limited	Equity	10,000	1.00
Garv Realtors P Limited	Equity	10,000	1.00
Grism Builders & Dev P Limited	Equity	10,000	1.00
Lovkush Builders Private Limited	Equity	10,000	1.00
Nadish Real Estate Private Limited	Equity	10,000	1.00
Vibhor Home Dev Private Limited	Equity	10,000	1.00
Vibodh Dev Private Limited	Equity	10,000	1.00
Vinesh Home Developers Private Limited	Equity	10,000	1.00
Vishmay Builders & Dev Private Limited	Equity	10,000	1.00
Skyrise Home Developers Private Limited	Equity	10,000	1.00
Peace Buildcon Private Limited	Equity	10,000	1.00
Prowess Buildcon Private Limited	Equity	4,503	0.45
DLF Cyber City Developers Ltd	Equity	75,000	7.50
Bansal Development Co. Private Limited	Equity	16,365	1.64
Mangal Shruti Gruh Nirmiti Private Limited (Rs. 100 each)	Equity	365,400	36.54
Realest Builders and Services Private Limited	Equity	50,300	5.03
Ujagar Estates Limited	Equity	2	-
			552.79
Less : Provision for diminution in value			169.18
			383.61
In Debentures (Trade Investments Unquoted) #			
Nevili Builders and Constructions Private Limited			532.33
Madeira Builders and Constructions Private Limited			773.27
Galatea Builders and Developers Private Limited			977.07
Muhammad Builders and Developers Private Limited			1,274.88
Mughith Real Estates Private Limited			931.18

## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

(Rupees in Lacs)

			2006 Book value
<b>Schedule : 7 ► INVESTMENTS (Contd.)</b>			
Mubin Builders and Developers Private Limited			756.64
Ciel Builders and Developers Private Limited			2,128.41
Odette Builders and Constructions Private Limited			2,230.71
Amistad Builders and Developers Private Limited			944.72
Dominique Builders and Constructions Private Limited			4,033.73
Eldoris Builders and Developers Private Limited			3,305.78
Lysander Builders and Developers Private Limited			4,668.24
Ialeta Builders and Constructions Private Limited			306.76
Fuensanta Builders and Constructions Private Limited			2,284.22
Alita Builders and Developers Private Limited			2,560.97
Montague Builders and Constructions Private Limited			1,745.91
Soleil Builders and Constructions Private Limited			2,626.77
Herminda Builders and Developers Private Limited			2,828.34
Lionel Builders and Constructions Private Limited			1,718.76
Eskana Builders and Developers Private Limited			618.09
Orane Builders and Constructions Private Limited			1,803.40
Nerice Builders and Developers Private Limited			558.97
Delmer Builders and Constructions Private Limited			1,770.40
Byron Builders and Constructions Private Limited			1,997.30
Prewitt Builders and Constructions Private Limited			1,318.87
Berit Builders and Developers Private Limited			1,150.62
Adoncia Builders and Developers Private Limited			1,308.87
Denton Builders and Developers Private Limited			4,040.25
Murdock Builders and Developers Private Limited			9,025.00
Manini Real Estates Private Limited			9,025.00
Amandla Builders and Developers Private Limited			9,109.71
			<b>78,355.17</b>
In Investment properties			2,745.35
Share Application Money			1,511.90
In Partnership firms			
DLF Finance Corporation			0.10
			<b>0.10</b>
			<b>83,000.78</b>

\* Equity shares of Rs 10/- each, Preference shares of Rs 100/- each - fully paid, unless otherwise stated.

\*\* Rounded off to 'Nil'

# 9% unsecured debentures of Rs 500 each fully paid up, redeemable or convertible into equity shares at par on or before 20 years, at the option of the company.

	2006
<b>Schedule : 8 ► STOCKS</b>	
Stores and spares	1,433.90
Land, Development and Construction Work in Progress	124,157.67
Land including plots under agreement to sell	48,564.50
Earnest money and part payment under agreements to purchase land/constructed properties	
DLF Group entities	220.74
others	1,218.86
Constructed building (Including land and related equipments)	
Lease hold	3,041.63
Free hold	2,575.47
	5,617.10
Less: Depreciation on buildings	1,055.39
	4,561.71
Others	26.85
	<b>180,184.23</b>

# DLF LIMITED AND SUBSIDIARIES

(FORMERLY DLF UNIVERSAL LIMITED)

## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

(Rupees in Lacs)

	2006
<b>Schedule : 9 ► SUNDRY DEBTORS</b>	
(Considered good unless otherwise stated)	
Debts over six months	
Secured	78.88
Unsecured	25,883.20
Considered doubtful	7,329.16
	33,291.24
Other Debts	
Secured	144.08
Unsecured	39,667.74
Due from DLF Group entities	32.55
	73,135.61
Less: Doubtful and provided for	7,329.16
	65,806.45

<b>Schedule : 10 ► CASH AND BANK BALANCES</b>	
Cash/cheques in hand	255.46
Bank balance	
With scheduled banks in :	
Current accounts	5,482.37
Fixed deposit accounts	
Pledged/under lien/earmarked	8,449.88
Others	5,293.32
Margin money	3.05
With HSBC Bank plc, London, UK, in current account, a non - scheduled bank	14.48
	19,498.56

<b>Schedule : 11 ► LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)</b>	
Advances recoverable in cash or in kind or for value to be received	
Secured	470.83
Unsecured	50,331.86
	50,802.69
Due from DLF Group entities	35,981.79
Security deposits	766.82
Tax paid	18,616.93
Deposit with customs and excise departments	6.79
	106,175.02
Less: Doubtful and provided for	14.84
	106,160.18

<b>Schedule : 12 ► OTHER CURRENT ASSETS</b>	
Interest accrued-	
On investments	15.88
From others	232.38
	248.26

## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

(Rupees in Lacs)

	2006
<b>Schedule : 13 ► CURRENT LIABILITIES</b>	
Sundry creditors	
DLF Group entities	784.98
others	11,725.63
Realisation under agreement to sell from	
DLF Group entities	106,334.39
others	482.04
Uncashed dividend	8.81
Interest accrued but not due on loans	2,217.77
Security deposits	4,042.39
Advance from recreational facility members	1,904.97
Book overdraft	23.62
Advance against contract	190.00
Other liabilities	18,497.20
	<b>146,211.80</b>
<b>Schedule : 14 ► PROVISIONS</b>	
Proposed dividend	155.33
Tax on dividend	21.79
Income tax	32,288.08
Retirement benefits	1,177.53
	<b>33,642.73</b>
<b>Schedule : 15 ► SALES AND OTHER INCOME</b>	
<b>a) Sales and other receipts</b>	
Sale of land and plots	1,789.22
Revenue from constructed properties	158,842.92
Rent and license fee	4,207.68
Service and maintenance income	4,395.37
Power supply	10,873.91
Cable operations	400.24
Cinemas operations	1,241.10
Recreational facility income	1,764.85
Amount forfeited on properties	58.33
	<b>183,573.62</b>
<b>b) Income from investments</b>	
Dividend from long term investments	0.27
Interest on debentures	1,631.60
	<b>1,631.87</b>
<b>c) Other income</b>	
Interest	
From banks	330.87
Income tax refund	35.38
Customers	300.40
Loans and deposits	7,943.15
Others	198.33
	<b>8,808.13</b>
Exchange loss (net)	(2.62)
Profit on disposal of fixed assets	544.24
Advertisement income	237.74
Unclaimed balances and excess provisions written back	3.23
Holding charges	53.41
Profit on disposal of investments	586.12
Commission	38.31
Miscellaneous income	548.36
	<b>10,816.92</b>
	<b>196,022.41</b>

# DLF LIMITED AND SUBSIDIARIES

(FORMERLY DLF UNIVERSAL LIMITED)

## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

(Rupees in Lacs)

	2006
<b>Schedule : 16 ► COST OF REVENUES</b>	
Cost of land and plots	594.56
Cost of constructed properties	84,429.57
Cost of power generation	2,685.29
Consumable items	1,282.96
Maintenance and facility management	3,767.81
	<b>92,760.19</b>

<b>Schedule : 17 ► ESTABLISHMENT EXPENSES</b>	
Salaries, wages and bonus	3,600.96
Contribution to provident and other funds	150.92
Staff welfare	201.89
	<b>3,953.77</b>

<b>Schedule : 18 ► FINANCE CHARGE</b>	
Interest	
Fixed periods loans	13,226.28
Others	2,384.75
	<b>15,611.03</b>
Guarantee, finance and bank charges	1,236.83
	<b>16,847.86</b>

<b>Schedule : 19 ► OTHER EXPENSES</b>	
Rent	1,488.41
Rates and taxes	337.85
Repair and maintenance	
Building	86.67
Constructed properties/colonies	128.39
Machinery	420.09
Others	95.73
Maintenance services	32.58
Insurance	88.72
Commission and brokerage	2,514.61
Advertisement and publicity	708.48
Travelling and conveyance	724.64
Vehicles running and maintenance	83.67
Printing and stationery	280.63
Directors' fee	1.14
Sales promotion	119.34
Communication	182.12
Legal and professional	1,276.60
Donations and Charity	154.27
Payment to auditors	62.66
Loss on disposal of fixed assets	33.14
Claims	291.60
Provision for doubtful debts and advances	1,852.71
Amounts written off	288.15
Power, fuel and electricity	122.20
Consumption of food and beverages	95.92
Loss on Investments in associates	0.96
Preliminary expenses written off	10.78
Miscellaneous expenses	377.39
	<b>11,859.45</b>

## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

(Rupees in Lacs)

	2006
<b>Schedule : 20 ► DEPRECIATION</b>	
On fixed assets	3,460.36
On Stock (Constructed buildings)	87.91
On investments properties	36.77
Charged to Capital work in progress	(2.59)
	<b>3,582.45</b>

<b>Schedule : 21 ► PROVISION FOR TAX</b>	
Current income-tax	25,230.67
Deferred tax	560.00
Fringe benefit tax	112.63
	<b>25,903.30</b>

### Schedule : 22 ► CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of accounting

The financial statements are prepared under historical cost convention on accrual basis and in accordance with the applicable accounting standards issued by the Institute of Chartered Accountants of India ('ICAI').

#### 2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates.

#### 3. Principles of consolidation

The consolidated financial statements include the financial statements of DLF Universal Limited ('the Company'), the parent company, its subsidiaries and joint ventures (collectively referred to as 'the Group').

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the consolidated entities.

The excess/deficit of cost to the parent company of its investment over its portion of equity in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill/capital reserve. The parent company's portion of equity in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions.

Newly acquired entities have been consolidated from the respective dates of their acquisition.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

Minority interest represents the amount of equity attributable to minorities at the date on which investment in a subsidiary is made and its share of movements in the equity since that date. Any excess consideration received from minority shareholders of subsidiaries over the amount of equity attributable to the minority on the date of investment is reflected under Reserves and Surplus.

In accordance with Accounting Standard - 27 - "Financial Reporting of Interests in Joint Ventures", issued by the ICAI, the DLF Group has accounted for its proportionate share of interest in a joint venture by the proportionate consolidation method.

Consolidated financial statements are prepared using uniform accounting policies across the Group unless stated specifically.

Consolidated financial statements comprise the financial statements of the parent company and its subsidiaries listed below:

Aadarshini Real Estate Developers Private Limited  
Abhiraj Real Estate Private Limited  
Aloki Real Estate Developers Private Limited  
Amishi Builders & Developers Private Limited  
Ananti Builders & Constructions Private Limited

Anjuli Builders & Developers Private Limited  
Avinashi Builders & Developers Private Limited  
Ayushi Builders & Developers Private Limited  
Belden Home Private Limited  
Beverly Park Maintenance Services Limited



# DLF LIMITED AND SUBSIDIARIES

(FORMERLY DLF UNIVERSAL LIMITED)

## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

### Schedule : 22 ► CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Bhoruka Financial Services Limited	Ganika Builders Private Limited
Breeze Constructions Private Limited	GKS Housing Limited
Carlton Real Estate Developers Private Limited.	Gulika Home Developers Private Limited
Dalmia Promoters & Developers Private Limited	Gyan Real Estate Developers Private Limited
Dhoomketu Builders & Developers Private Limited	Jawala Real Estate Private Limited
Dhyan Constructions Private Limited	Kairav Real Estate Private Limited.
Diwakar Estates Limited	Kamini Home Developers Private Limited
DLF Akruti Info Parks (Pune) Limited	Monishka Builders & Developers Private Limited
DLF Commercial Developers Limited	Natwar Builders & Developers Private Limited
DLF Estate Developers Limited	NewGen MedWorld Hospitals Limited
DLF Financial Services Limited	Nilayam Builders & Developers Limited
DLF Golf Resorts Limited	Nilgiri Cultivations Private Limited
DLF Home Developers Limited	Nilima Real Estate Developers Private Limited
DLF Housing & Construction Limited	Paliwal Developers Limited
DLF Info City Developers (Bangalore) Limited	Passion Builders & Developers Private Limited.
DLF Info City Developers (Chandigarh) Limited	Rajika Estate Developers Private Limited
DLF Info City Developers (Chennai) Limited	Roadtech Constructions Private Limited
DLF Info City Developers (Hyderabad) Limited	Sanchali real Estate Developers Private Limited
DLF Info City Developers (Kolkata) Limited	Shivajimarg Properties Limited
DLF Info City Developers (Noida) Limited	Shrila Builders & Developers Private Limited
DLF Phase IV Commercial Developers Limited	Simbala Builders & Developers Private Limited
DLF Power Limited	Solid Buildcon Private Limited
DLF Real Estates Limited	Sumedha Home Private Limited
DLF Retail Developers Limited	Talika Real Estate Developers Private Limited
DLF Services Limited (formerly DT Cinemas Limited)	Trisha Real Estate Developers Private Limited
DLF Services Limited (merged with DT Cinemas Limited)	Tuhina Real Estate Developers Private Limited
Edward Keventor(Successors) Private Limited	Umed Constructions Private Limited
Eila Builders & Developers Private Limited	Valini Builders & Developers Private Limited
Falguni Builders Private Limited	Wellington Real Estate Developers Private Limited.

#### 4. Revenue recognition

##### (i) Real estate activities

- Sale of land and plots is recognised in the financial year in which transfer is made by registration of sale deeds or otherwise in favour of the buyers.
- Revenue from constructed properties is recognized on the "Percentage of Completion" method of accounting. Sale consideration receivable as per the agreements to sell constructed properties entered into is recognized as revenue on the basis of percentage of actual project costs incurred thereon, including land, estimated development and construction cost of such properties, subject to such actual costs incurred being 30 percent or more of the total estimated project cost. The estimates of the saleable area and costs are reviewed periodically by the management and any effect of changes in estimates is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately. (Also see Note No. 12 of Schedule No. 23)
- Rent and license fees and interest on installments due from customers is accounted for on accrual basis except in cases where ultimate collection is considered doubtful.

##### (ii) Power supply

- Revenue from power supply together with claims made on customers is recognized in terms of Power Purchase Agreements, into with the customers.
- Revenue from Energy Systems Development contracts is recognized on percentage completion method and accounted for inclusive of excise duty recovered, where applicable. Accordingly, revenue is recognized when cost incurred (including appropriate portion of allocable overheads) on the contract is estimated at 30 percent or more, on the total cost to be incurred (including all foreseeable losses and an appropriate portion of allocable overheads) for the completion of contract, wherever applicable.



## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

### Schedule : 22 ► CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### (iii) Recreational facility income

- Subscription fee and non refundable membership fee is recognized on a time proportion basis
- Revenue from food and beverage is recorded net of sales tax.
- Sales of merchandise are stated net of goods sold on consignment basis as agents.
- Revenue in respect of maintenance services is recognized on accrual basis, in accordance with the terms of the respective contracts.
- Sale of cinema tickets is stated inclusive of entertainment tax.

#### (iv) Others

Dividend income is recorded when the right to receive dividend is established.

### 5. Stocks

#### Stocks are valued as under

- Land and plots (including under agreements to sell), other than area transferred to constructed properties at the commencement of construction, are valued at cost, approximate average cost or as revalued on conversion to stock, as applicable. Costs include land acquisition cost, estimated internal development costs and external development charges.
- Constructed properties includes the cost of land (including under agreements to purchase), internal development costs, external development charges, construction costs and development/ construction materials, and is valued at cost or estimated cost, as applicable.
- Rented buildings and related equipments are valued at cost less depreciation.
- In respect of the power supply division of the Group, materials & components and stores & stores are valued at lower of cost or net realisable value. The cost is determined on the basis of moving weighted average. Loose tools are valued at depreciated value, depreciation has been provided on straight line method at the rate of ten percent per annum.
- Stocks of recreational facilities are valued at cost or net realizable value, whichever is lower. Cost of inventories is ascertained on weighted average basis

### 6. Cost of revenues

- Cost of land and plots includes land acquisition cost, estimated internal development costs and external development charges, which is charged to the profit and loss account proportionate to land / plotted area in respect of which revenue is recognised as per accounting policy no. 4 above, in consonance with the concept of matching cost and revenue. Final adjustment is made on completion of the applicable scheme.
- Cost of constructed properties includes cost of land (including under agreements to purchase), internal development costs, external development charges, construction costs and development/ construction materials which is charged to the profit and loss account proportionate to the revenue recognised as per accounting policy no. 4 above, in consonance with the concept of matching cost and revenue. Final adjustment is made on completion of the applicable project.

### 7. Fixed assets & Depreciation

- Fixed assets (gross block) are stated at historical cost. Borrowing costs attributable to acquisition or construction of fixed assets are included in the gross book value of fixed assets to which they relate. Steel shuttering developed in-house are capitalised at the cost directly relating to their fabrication. The amount paid for leasehold land being on perpetual lease, is not amortised.

Depreciation on fixed assets (including buildings and related equipments rented out and included under current assets as stocks) is provided on straight line method at the higher of the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 or based on the estimated useful lives of assets as follows:

Description	Estimated useful life
Building	58 Years
Plant and machinery	4-20 Years
Furniture and fixtures	2-10 Years
Air conditioner and Coolers	8 Years
Vehicles	2-10 Years
Computers softwares	2-6 Years
Steel Shuttering	7 Years

- Depreciation in respect of assets relating to the power supply division of the Group is provided on the straight line method in terms of the Electricity (Supply) Act, 1948 on the basis of Central Government Notification No. S.O 266 (E) dated March 29, 1994, from the year immediately following the year of commissioning of the assets in accordance with the clarification issued by the central Electricity Authority as per the accounting policy specified under the Electricity (Supply) Annual Accounts Rules, 1985. As such no depreciation is provided on the assets commissioned during the year.

# DLF LIMITED AND SUBSIDIARIES

(FORMERLY DLF UNIVERSAL LIMITED)

## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

### Schedule : 22 ► CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### 8. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Profit/ loss on sale of investments is computed with reference to their average cost.

#### 9. Foreign currency transactions

Transactions in foreign currencies and non monetary assets are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted at the year-end rate. Income and expenditure of the liaison office is translated at the yearly average rate.

The exchange differences arising on such conversion and on the settlement of the transactions except for those relating to acquisition of fixed assets, which are adjusted to the carrying amount of related fixed assets are dealt with in the profit and loss account

#### 10. Retirement benefits

- a) Contributions towards provident fund and superannuation scheme in respect of employees are made by the Company to approved trusts and charged to the profit and loss account on accrual basis.
- b) For certain subsidiaries, contributions made towards superannuation fund (funded by payments to Life Insurance Corporation of India (LIC) under its Group Superannuation Scheme) and approved gratuity fund (funded by contributions to LIC under its group gratuity scheme) are charged to revenue on accrual basis.
- c) Provision for gratuity liability and for leave salary in respect of unavailed leave of employees payable on retirement or otherwise outstanding as at the date of the balance sheet is made based on actuarial valuation made by an independent actuary.
- d) For certain subsidiaries the liability for leave encashment is accounted for based on the assumption that such benefit is payable to all eligible employees at the end of the accounting year as per the subsidiary company's rule.

#### 11. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the profit and loss account.

Interest and other direct cost paid during construction period is charged to the project development expenditure which would be transferred/ apportioned to the cost of the project on its completion.

#### 12. Leases

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the profit and loss account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the profit and loss account.

#### 13. Income Taxes

Tax expense comprises both current and deferred taxes. Current tax is based on the taxable income as per the provisions of the Income tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various legal entities are not set off against each other as there is no legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

#### 14. Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

#### 15. Profit/ loss from partnership firms

Share of profit / loss from firms in which the Company or its subsidiaries is a partner is accounted for the financial year ending on (or before) the date of the balance sheet.

#### 16. Contingent liabilities

Depending upon facts of each case and after due evaluation of legal aspects, claims against the Group not acknowledged as debts are treated as contingent liabilities. In respect of statutory dues disputed and contested by the Company, the contingent liabilities are provided and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter.

## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

### Schedule : 23 ► NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Contingent liabilities not provided for exist in respect of :

(Rupees in Lacs)

a) Guarantees on behalf of third parties	27,000.00
b) Claims against the Group not acknowledged as debts	5,743.49
c) Demand in excess of provisions (pending in appeals):	
Income-tax	3,972.64
Other taxes	37.24
d) Construction subsidy to customers-under agreement to sell	Amount not ascertainable
<b>2. Capital expenditure commitments (net of advances)</b>	<b>30,991.74</b>

#### 3. Secured loans

- Loans from banks for working capital, term loan, overdraft limit and bank guarantee limits are secured by equitable mortgage of certain lands and secured by certain future receivables.
- Term loans from banks for purchase of vehicles are secured by hypothecation of the vehicles thus purchased.

#### 4. Remuneration to directors' of the parent company\*

Salaries	463.12
Commission	660.00
Directors' fee	0.23
Provident and other funds	67.59
Other perquisites and benefits	37.36
	<b>1,228.30</b>

\* Exclusive of provisions for gratuity and leave salary made in the accounts as per accounting policy no.10 as stated in schedule 22.

#### 5. Related party disclosures

Information to be disclosed in accordance with AS 18 "Related Party Disclosures" as issued by ICAI.

##### a) Relationship :

##### i) Joint ventures and associates

##### Associates companies

Aagney Estate Developers Private Limited  
Aaliyah Real Estates Private Limited  
Aaquil Real Estates Private Limited  
Aaralyn Builders & Developers Private Limited  
Abadigeal Builders & Developers Private Limited  
Abhaynanda Estate Developers Private Limited  
Abheek Real Estate Private Limited  
Abhigyan Builders & Developers Private Limited  
Abjayoni Estates Developers Private Limited  
Acelin Estates Developers Private Limited  
Adalia Builders & Developers Private Limited  
Adana Builders & Developers Private Limited  
Adelie Builders & Developers Private Limited  
Adeline Builders & Developers Private Limited  
Adoncia Builders & Developers Private Limited  
Adriana Builders & Constructors Private Limited  
Adrienne Builders & Constructors Private Limited  
Adsila Builders & Developers Private Limited  
Afaaf Builders & Developers Private Limited  
Aimee Real Estates Private Limited  
Ainstey Builders & Developers Private Limited  
Akanke Builders & Developers Private Limited

##### Associates companies

Akina Builders & Developers Private Limited  
Akiva Builders & Constructors Private Limited  
Alana Builders & Developers Private Limited  
Alastair Builders & Developers Private Limited  
Aleron Builders & Constructors Private Limited  
Alethia Builders & Developers Private Limited  
Alfonso Builders & Developers Private Limited  
Alita Builders & Developers Private Limited  
Alton Builders & Developers Private Limited  
Alyn Builders & Developers Private Limited  
Amandla Builders & Developers Private Limited  
Amistad Builders & Developers Private Limited.  
Amoda Builders & Developers Private Limited  
Amyas Builders & Developers Private Limited  
Angelina Real Estates Private Limited  
Angus Builders & Developers Private Limited  
Annabel Builders & Developers Private Limited  
Arash Real Estates Private Limited  
Ardara Builders & Developers Private Limited  
Arlie Builders & Developers Private Limited  
Armand Builders & Constructors Private Limited  
Arnon Builders & developers Private Limited

# DLF LIMITED AND SUBSIDIARIES

(FORMERLY DLF UNIVERSAL LIMITED)

## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

### Schedule : 23 ► NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

#### Associates companies

Arva Builders & Developers Private Limited  
Ati Sunder Estates Developers Private Limited  
Baakir Real Estates Private Limited  
Babette Real Estates Private Limited  
Bahitee Builders & Developers Private Limited  
Balint Real Estates Private Limited  
Becca Builders & Developers Private Limited  
Bedelia Builders & Constructions Private Limited  
Belicia Builders & Developers Private Limited  
Belva Builders & Developers Private Limited  
Benecio Builders & Constructions Private Limited  
Benedict Estates Developers Private Limited  
Berit Builders & Developers Private Limited  
Bestvalue Housing & Construction Private Limited  
Betha Builders & Developers Private Limited  
Beyla Builders & Developers Private Limited  
Beyonce Builders & Developers Private Limited  
Bhamini Real Estate Developers Private Limited  
Bibiana Real Estates Private Limited  
Blanca Builders & Developers Private Limited  
Brenden Estates Developers Private Limited  
Bridget Builders & Developers Private Limited  
Brisa Builders & Developers Private Limited  
Bruce Builders & Constructions Private Limited  
Byron Builders & Constructions Private Limited  
Cachet Real Estates Private Limited  
Cadence Builders & Constructions Private Limited  
Cadence Real Estates Private Limited  
Caelan Builders & Developers Private Limited  
Caia Builders & Developers Private Limited  
Cain Builders & Construction Private Limited  
Caitlin Builders & Developers Private Limited  
Calandra Builders & Developers Private Limited  
Calantha Builders & Developers Private Limited  
Calista Builders & Constructions Private Limited  
Calista Real Estates Private Limited  
Calliope Builders & Developers Private Limited  
Callista Builders & Constructions Private Limited  
Calvine Builders & Constructions Private Limited  
Cambree Builders & Constructions Private Limited  
Camden Builders & Developers Private Limited  
Camila Builders & Constructions Private Limited  
Candace Builders & Constructions Private Limited  
Candra Builders & Constructions Private Limited  
Caprice Builders & Constructions Private Limited  
Capucine Builders & Constructions Private Limited  
Caraf Builders & Constructions Private Limited  
Cardea Builders & Constructions Private Limited  
Caressa Builders & Constructions Private Limited  
Carlotta Builders & Constructions Private Limited  
Carlyn Builders & Constructions Private Limited  
Carmen Builders & Constructions Private Limited

#### Associates companies

Caron Builders & Constructions Private Limited  
Carriann Builders & Constructions Private Limited  
Cascata Builders & Constructions Private Limited  
Cassia Builders & Developers Private Limited  
Catherina Builders & Developers Private Limited  
Catriona Builders & Constructions Private Limited  
Cayenne Builders & Constructions Private Limited  
Chakradharee Estates Developers Private Limited  
Chakrita Real Estate Developers Private Limited  
Chandrajyoti Estate Developers Private Limited  
Chevalier Builders & Constructions Private Limited  
Cian Builders & Developers Private Limited  
Ciel Builders & Developers Private Limited.  
Citcia Builders & Developers Private Limited  
Consuelo Builders & Constructions Private Limited  
Cyrano Builders & Developers Private Limited  
Cyrilla Builders & Constructions Private Limited.  
Dabri Real Estates Private Limited  
Dae Real Estates Private Limited  
Damalis Builders & Developers Private Limited  
Damian Estates Developers Private Limited  
Delmer Builders & Constructions Private Limited  
Demeta Estates Developers Private Limited  
Denton Builders & Developers Private Limited  
Despine Builders & Developers Private Limited  
Devadutt Real Estates Private Limited.  
Devak Builders & Developers Private Limited  
DLF Cyber City Developers Limited  
DLF Laing 'O Rourke (India) Private Limited  
DLF Recreational Foundation Private limited (a company limited by guarantee)  
Dome Builders & Developers Private Limited  
Dominga Builders & Constructions Private Limited  
Dominique Builders & Constructions Private Limited  
Eadoin Real Estates Private Limited  
Eban Builders & Developers Private Limited  
Edha Estate Developers Private Limited  
Ehan Builders & Construction Private Limited  
Eirene Builders & Developers Private Limited  
Ekaparnika Estate Developers Private Limited  
Elaine Builders & Constructions Private Limited  
Eldoris Builders & Developers Private Limited  
Eloise Builders & Constructions Private Limited  
Elton Builders & Developers Private Limited  
Elvira Builders & Constructions Private Limited  
Erasma Builders & Developers Private Limited  
Erma Builders & Developers Private Limited  
Ernesta Real Estates Private Limited  
Eskana Builders & Developers Private Limited  
Ethan Estates Developers Private Limited  
Eudocia Builders & Developers Private Limited  
Euphemia Builders & Developers Private Limited

## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

### Schedule : 23 ► NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

#### Associates companies

Fabrizio Real Estates Private Limited  
 Fadey Builders & Developers Private Limited  
 Fanchon Builders & Developers Private Limited  
 Farica Builders & Developers Private Limited  
 Faye Builders & Constructors Private Limited  
 Felice Real Estates Private Limited  
 Felicite Builders & Constructors Private Limited  
 Ferrol Builders & Developers Private Limited  
 Fidella Estates Developers Private Limited  
 Finian Estates Developers Private Limited  
 Fuensanta Builders & Constructors Private Limited  
 Fulbright Builders & Developers Private Limited  
 Fyme Builders & Constructors Private Limited  
 Galatea Builders & Developers Private Limited.  
 Gallaria Property Management Services Private Limited  
 Galvin Builders & developers Private Limited  
 Gandhari Estate Developers Private Limited  
 Gareth Builders & Constructors Private Limited  
 Gasper Builders & Constructors Private Limited  
 Gavin Builders & Developers Private Limited  
 Gaynell Builders & Developers Private Limited  
 Gazit Builders & Developers Private Limited  
 Genevieve Builders & Developers Private Limited  
 Ghanapriya Builders & Constructors Private Limited  
 Gilon Builders & Developers Private Limited  
 Goddard Builders & Constructors Private Limited  
 Goodvalue Properties Private Limited  
 Gorochana Estates Developers Private Limited  
 Gumvant Real Estates Private Limited  
 Haamid Real Estates Private Limited  
 Hailey Builders & Developers Private Limited  
 Hamilton Builders & Developers Private Limited  
 Hansel Builders & Developers Private Limited  
 Harinakshi Estate Developers Private Limited  
 Harley Builders & Developers Private Limited  
 Havard Builders & Developers Private Limited  
 Hemadri Real Estate Developers Private Limited  
 Hermelinda Builders & Developers Private Limited  
 Herminda Builders & Developers Private Limited  
 Hubert Builders & Developers Private Limited  
 Iain Real Estates Private Limited  
 Ialeta Builders & Constructors Private Limited  
 Isabel Builders & Developers Private Limited  
 Ishayu Builders & Developers Private Limited  
 Isidro Builders & Developers Private Limited  
 Janya Builders & Developers Private Limited  
 Jayanti Real Estate Developers Private Limited  
 Kaliska Builders & Developers Private Limited  
 Kambod Real Estates Private Limited  
 Kanan Real Estates Private Limited  
 Karena Estates Developers Private Limited  
 Karida Real Estates Private Limited

#### Associates companies

Kenneth Builders & Developers Private Limited  
 Kessare Builders & Developers Private Limited  
 Kimothy Builders & Developers Private Limited  
 Kokolath Builders & Developers Private Limited  
 Kundalika Builders & Developers Private Limited  
 Kusumita Builders & Developers Private Limited  
 Lacey Builders & Constructors Private Limited  
 Lainey Builders & Constructors Private Limited  
 Laman Real Estates Private Limited  
 Lanza Builders & Constructors Private Limited  
 Laraine Builders & Constructors Private Limited  
 Larissa Builders & Developers Private Limited  
 Latona Builders & Constructors Private Limited  
 Laureny Builders & Constructors Private Limited  
 Laverne Builders & Developers Private Limited  
 Lavinita Builders & Developers Private Limited  
 Lavonne Builders & Developers Private Limited  
 Lawanda Builders & Developers Private Limited  
 Laxmibanta Estates Developers Private Limited  
 Leandra Builders & Developers Private Limited  
 Lennox Builders & Developers Private Limited  
 Leslie Builders & Developers Private Limited  
 Lgnacio Real Estates Private Limited  
 Lillion Builders & Developers Private Limited  
 Linette Builders & Constructors Private Limited  
 Lionel Builders & Constructors Private Limited  
 Livana Builders & Developers Private Limited  
 Lizebeth Builders & Developers Private Limited  
 Lonore Real Estates Private Limited  
 Lysande Builders & Developers Private Limited  
 Mabli Builders & Developers Private Limited  
 Madeira Builders & Construction Private Limited  
 Malcolm Builders & Developers Private Limited  
 Mangal Shruti Gruh Nirmiti Private Limited  
 Manini Real Estates Private Limited  
 Maraka Real Estates Private Limited  
 Mariabella Builders & Developers Private Limited  
 Mariposa Builders & Developers Private Limited  
 Marisha Builders & Developers Private Limited  
 Mayukhi Real Estates Private Limited  
 Melisenda Builders & Developers Private Limited  
 Melosa Builders & Developers Private Limited  
 Mireys Builders & Developers Private Limited  
 Mohak Real Estate Private Limited  
 Monroe Builders & Developers Private Limited  
 Montague Builders & Constructors Private Limited  
 Muadh Builders & Developers Private Limited  
 Muafa Real Estates Private Limited  
 Muallim Builders & Developers Private Limited  
 Muawiyah Builders & Developers Private Limited  
 Muballigh Builders & Developers Private Limited  
 Mubashir Real Estates Private Limited

# DLF LIMITED AND SUBSIDIARIES

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## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

### Schedule : 23 ► NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

#### Associates companies

Mubin Builders & Developers Private Limited  
Mudabbin Real Estates Private Limited  
Mueen Builders & Developers Private Limited  
Mueez Real Estate Private Limited  
Mufallah Builders & Developers Private Limited  
Mughith Real Estates Private Limited.  
Muhannad Builders & Developers Private Limited  
Muhriz Builders & Developers Private Limited  
Mujaddid Builders & Developers Private Limited  
Murdock Builders & Developers Private Limited  
Mushin Real Estates Private Limited  
Nabhoj Builders & Developers Private Limited  
Nairne Builders & Developers Private Limited  
Naja Builders & Developers Private Limited  
Naja Estates Developers Private Limited  
Nasturtium Builders & Developers Private Limited  
Nayef Estates Private Limited  
Necia Builders & Developers Private Limited  
Nedra Builders & Developers Private Limited  
Nelia Builders & Developers Private Limited  
Nellis Builders & Developers Private Limited  
Neole Builders & Developers Private Limited  
Nerice Builders & Developers Private Limited  
Nerina Builders & Developers Private Limited  
Nerra Builders & Developers Private Limited  
Nevili Builders & Constructors Private Limited  
Nevina Builders & Developers Private Limited  
Niabi Builders & Developers Private Limited  
Odetee Builders & Constructors Private Limited  
Ogilvy Builders & Developers Private Limited  
Orane Builders & Constructors Private Limited  
Padmavasa Builders & Developers Private Limited  
Paeen Estates Developers Private Limited  
Pariksha Builders & Developers Private Limited  
Philia Estates Developers Private Limited  
Prasheetha Estate Developers Private Limited  
Prateep Estates Private Limited  
Precentor Builders & Developers Private Limited  
Prewitt Builders & Constructors Private Limited  
Purandar Estates Developers Private Limited  
Qabil Builders & Developers Private Limited  
Querida Builders & Developers Private Limited  
Quiddity Builders & Developers Private Limited  
Radwan Real Estates Private Limited  
Raeks Estates Developers Private Limited  
Ragtime Builders & Developers Private Limited  
Ranhita Estate Developers Private Limited  
Rapt Builers & Developers Private Limited  
Redtopaz Real Estate Private Limited  
Regency Park Property Management Services Private Limited  
Rexomme Real Estate Private Limited  
Rochelle Builders & Constructors Private Limited

#### Associates companies

Rosalind Builders & Constructors Private Limited  
Rujula Builders & Developers Private Limited  
Sabela Real Estates Private Limited  
Sagardutt Builders & Developers Private Limited  
Saguna Builders & Developers Private Limited  
Sahastrajit Builders & Developers Private Limited  
Samali Builders & Developers Private Limited  
Sansita Estate Developers Private Limited  
Saravati Builders & Constructors Private Limited  
Seaberi Builders & Developers Private Limited  
Seamless Constructors Private Limited  
Seaton Builders & Constructors Private Limited  
Senymour Builders & Constructors Private Limited  
Sephronia Real Estates Private Limited  
Servesh Estate Developers Private Limited  
Shalika Estate Developers Private Limited  
Sharvari Estate Developers Private Limited  
Shikhi Estates Private Limited  
Shinanee Builders & Developers Private Limited  
Shri Gurnam Builders & Developers Private Limited  
Snigdha Builders & Constructors Private Limited  
Solange Builders & Constructors Private Limited  
Soleil Builders & Constructors Private Limited  
Subodhini Builders & Developers Private Limited  
Sudipti Estates Private Limited  
Sugreeva Builders & Developers Private Limited  
Sukeshi Builders & Developers Private Limited  
Tamish Builders & Developers Private Limited  
Tamonash Builders & Constructins Private Limited  
Tanirika Estate Developers Private Limited  
Tapesendra Estate Developers Private Limited  
Tapomay Estate Developers Private Limited  
Tatharaj Estates Private Limited  
Tusti Builders & Developers Private Limited  
Udipiti Estate Developers Private Limited  
Umberto Builders & Developers Private Limited  
Unicorn Real Estate Developers Private Limited  
Vamil Builders & Developers Private Limited  
Vedavrata Builders & Constructors Private Limited  
Vibhat Builders & Constructors Private Limited  
Vilina Estate Developers Private Limited  
Vinanti Builders & Developers Private Limited  
Wagishwari Estates Private Limited  
Webcity Builders & Developers Private Limited  
Yamilil Estates Developers Private Limited  
Zanobi Builders & Constructors Private Limited  
Zareb Builders & Developers Private Limited  
Zebina Real Estates Private Limited  
Zebulon Builders & Developers Private Limited  
Zenobia Builders & Developers Private Limited  
Zubeda Real Estates Private Limited



## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

### Schedule : 23 ► NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

#### ii) Key management personnel

Name	Designation	Relatives*
a) Mr. K.P. Singh	Chairman	Mrs. Indira K. P. Singh, Mrs. Vikram Devi
b) Mr. Rajiv Singh	Vice Chairman	Mrs. Kavita Singh, Miss Savitri Devi Singh, Miss. Anushka Singh
c) Ms. Renuka Talwar	Whole time Director	Master Rahul Singh Talwar
d) Mr. T.C. Goyal	Managing Director	
e) Mr. J.K. Chandra	Sr. Executive Director	
f) Ms. Pia Singh	Whole time Director	
g) Mr. K.Swarup	Executive Director	

\*Relatives of key management personnel (other than key management personnel themselves) with whom there were transactions during the year

#### iii) Other entities under control of the key management personnel and their relatives:

Adept Real Estate Developers Private Limited	Pushpak Builders and Developers Private Limited
Aeshya Estates Private Limited	Pushpavali Builders & Developers Private Limited
Altamount Real Estate Developers Private Limited	Raisina Agencies & Investments Private Limited
Antriksh Properties Private Limited	Rajdhani Investments and Agencies Private Limited
Anubhav Apartments Private Limited	Realest Builders & Services Private Limited
Aquarius Builders & Developers Private Limited	Renkon Agencies Private Limited
Bansal Development Co. Private Limited	Sagarika Real Estate Developers Private Limited
Beverly Park Operation & Maintenance Services Private Limited	Sanidhya Constructions Private Limited.
Buland Consultants and Investment Private Limited	Savitri Studs & Farming Company Private Limited
Cee Pee Maintenance Services Limited	Silver Oaks Property Management Services Limited
Centre Point Property Management Services Private Limited	Sketch Investment Private Limited
Confort Buildcon Private Limited	Solace Housing and Construction Private Limited
Desent Promoters and Developers Private Limited	Sudarshan Estates Private Limited
Digital Talkies Private Limited	Sukh Sansar Housing Private Limited
DLF Investments Private Limited	Sukomal Builders & Developers Private Limited
Excel Housing Construction Private Limited	Sulekha Builders & Developers Private Limited
Glaze Builders & Developers Private Limited	Sunlight Promoters Private Limited
Haryana Electrical Udyog Private Limited	Super Mart One Property Management Services Private Limited
High Value Builders Private Limited	Super Mart Two Property Management Services Private Limited
Hitech Property Developers Private Limited	Ultima Real Estate Developers Private Limited
Jagpriya Portfolio and Technofin Services Private Limited	Universal Management & Sales Private Limited
Jhandewalan Ancillaries and Investments Private Limited	Upeksha Real Estate Developers Private Limited
Lyndale Holdings Private Limited	Uplift Real Estate Developers Private Limited
Macknion Estates Private Limited	Urva Real Estate Developers Private Limited
Magna Real Estate Developers Private Limited	Uttam Builders and Developers Private Limited
Megha Estates Private Limited	Vanutsar Properties Private Limited
Nachiketa Real Estates Private Limited	Vishal Foods and Investments Private Limited
Northern India Theatres Private Limited	Windsor Complex Property Management Services Private Limited
Pace Financial Services Limited	
Paliwal Real Estates Private Limited	<b>Private companies with unlimited liability and Trusts</b>
Panchvati Estates Private Limited	Adampur Agricultural Farm
Parvati Estates Private Limited	Arihant Housing Company
Pee Tee Property Management Services Limited	Ch.Lal Chand Memorial Charitable Trust
Power Overseas Private Limited	DLF Finance Corporation
Prem Traders and Investments Private Limited	DLF M.T.FBD Medical and Community Facility Charitable Trust
Prompt Real Estate Private Limited	DLF Q.E.C. Educational Charitable Trust

# DLF LIMITED AND SUBSIDIARIES

(FORMERLY DLF UNIVERSAL LIMITED)

## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

### Schedule : 23 ► NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

DLF Q.E.C. Medical Charitable Trust	Prem's Will Trust
DLF Raghvendra Temple Trust	Raghvendra Public Charitable Trust
Gangrol Agricultural Farm	Rajiv Kavita Trust
General Marketing Corporation	Rekan & Co.
Indira Trust	Renuka Pariwar Trust
Kohinoor Real Estates Company	Renuka Rahul Trust
Krishna Public Charitable Trust	Sambhav Housing and Development Company
Lal Chand Public Charitable Trust	Sidhant Housing and Development Company
Madhukar Housing and Development Company	Smt.Savitri Devi Memorial Charitable Trust
Madhur Housing and Development Company	Trinity Housing and Construction Company
Mallika Housing Company	Udyan Housing and Development Company
Panchsheel Investment Company	Uttam Real Estates Company
Pia Pariwar Trust	

#### b) The following transactions were carried out with related parties in the ordinary course of business

(Rupees in Lacs)

Description	Joint ventures & Associates	Key Management Personnel (KMP) & their relatives	Enterprises over which KMP is able to exercise significant influence
Interest income	4,024.71	—	—
Rent received	—	—	1.04
Fixed deposits refunded	—	3.75	5.80
Remuneration paid	—	1,228.08	—
Expenses recovered	2,932.97	—	2.47
Purchase of land and material	—	—	50.51
Rent paid	—	—	54.17
Interest paid	—	5.51	18.52
Expenses paid	26.53	—	—
Interest received on debentures	647.97	—	—
Loans given	5,805.27	—	—
Guarantees given	8,000.00	—	—
Advances received under agreement to sell	531.67	—	—
Advance received under agreement to sell refunded	333.11	—	312.00
Advance paid under agreement to purchase	1,200.00	—	—
Inter corporate deposit received	—	—	132.50
Inter corporate deposit refunded	—	—	106.85
Debentures issued	—	214.34	3,204.74
Debentures converted in to equity Shares	—	214.34	3,204.74
Claim paid	—	—	117.00

#### c) Balance at the end of the year

Advances given	35,976.68	—	5.11
Earnest money and part payments under agreement to purchase land/ constructed properties	—	—	220.74
Creditors/Payables	559.54	729.43	225.44
Guarantees given	27,000.00	—	—
Advances received under agreement to sell	198.56	28.03	283.48



## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

### Schedule : 23 ► NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

#### 6. Information to be disclosed in accordance with AS 19 "Leases", as issued by the ICAI.

##### A) Assets given on lease

(Rupees in Lacs)

Class of Assets	Gross Block As on March 31, 2006	Depreciation for the year 2005-06	Cumulative Depreciation as on March 31, 2006
i) Fixed Assets			
Land			
Lease hold	225.85		—
Free hold	396.92		—
Building	5,550.07	89.69	257.31
ii) Current Assets			
(Constructed buildings including land and related equipments)			
Lease hold	3,041.63	51.92	741.69
Free hold	2,575.47	35.99	313.70

##### B) Assets taken on lease

In respect of DLF Services Limited (formerly DT Cinemas Limited), a subsidiary of DLF Universal Limited, the buildings for the "Multiplex Theatres" are taken on lease with the initial lease terms ranging from 3 to 4.5 years. These leases are further renewable subject to enhancement of rent by 10% on the expiry of the lease period. There are no restrictions imposed for sub- leasing as per the lease arrangement.

The minimum lease payments for the initial lease period are as under:

(Rupees in Lacs)

Not later than one year	363.10
Later than one year but not later than five years	1,262.84
Later than five years	Nil
Lease payment made during the year recognised in the statement of profit and loss account	413.14
Sub-lease payment received recognised in the statement of profit and loss account	185.24

#### 7. Investment in Joint Ventures

Information to be disclosed as per AS 27 "Financial Reporting of Interest in Joint Ventures" as issued by the ICAI.

The interests of the Company in major joint ventures are listed below:

Joint Venture	Location	Principal Activities	Ownership Interest
1. Niharika Shopping Mall Joint Venture	Mumbai	Development and construction of Shopping Mall	50%
2. Mount Mary Joint Venture	Mumbai	Development and construction of Residential Building	50%

The company's share of the assets, liabilities, income and expenditure of the significant joint ventures accounted for by the proportional consolidation method are as follows

##### Amount in respect of Niharika Shopping Mall Joint Venture- Balance Sheet

(Rupees in Lacs)

Reserves and surplus	0.18
Inventories	4,776.74
Cash and bank	14.59
Loans and advances	0.02
Current liabilities and provisions	173.17

##### Amount in respect of Niharika Shopping Mall Joint Venture- Statement of Profit and Loss

(Rupees in Lacs)

Selling, general and administrative expenses	0.15
Interest received	0.33
Net Profit	0.18

# DLF LIMITED AND SUBSIDIARIES

(FORMERLY DLF UNIVERSAL LIMITED)

## Schedules forming part of the Consolidated financial statements for the year ended March 31, 2006

### Schedule : 23 ► NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

8. Consequent to sale of constructed properties recognised during the year, a sum of Rs 699.51 lacs being proportionate capital reserve, on conversion from fixed assets to stock, has been credited to the Profit and Loss account.
9. The scheme of amalgamation under section 391-394 of the Companies Act, 1956, of DLF Power Limited and DLF Phase IV Commercial Developers Limited (subsidiaries of DLF Universal Limited) with DLF Universal Limited is under process and hence, no effect has been given in the financial statements.
10. A subsidiary Company of DLF Universal Limited has purchased land with an obligation to provide built up area to third parties in consideration of settlement of disputes, claims, rights and entitlements of such parties. As the cost in this respect will form part of the respective project at the commencement of the project, no accrual for these liabilities is considered necessary at present.
11. In respect of DLF Power Limited (subsidiary of DLF Universal Limited) revenue from power supply to Assam State Electricity Board and Central Coalfields Limited has been invoiced on the basis of the Power Purchase Agreements with the parties. However, these parties have made payments (including payments made subsequent to March 31, 2006) mainly on the basis of provisional rates, leaving outstanding dues aggregating Rs. 6,046.89 lacs, which have been included under 'Sundry debtors'. Necessary adjustments, if any, will be made in the accounts on final acceptance of the Company's invoices/ claims by the concerned parties. Further Sundry debtors as at March 31, 2006 also include Rs. 509.93 lacs pertaining to the 'Energy Systems Division' which was acquired by DLF Power Limited prior to the close of business hours on March 31, 2001. The management has confirmed to the auditors that these debts are good and fully recoverable based on the status of ongoing discussion and correspondence with the concerned parties. In respect of the matters under arbitration, the management's view is based on current status of the hearings already taken place.
12. Pursuant to the Guidance note on Recognition of Revenue by Real Estate Developers, issued by the "ICAI", the Group has changed the accounting policy for recognizing revenue in respect of constructed properties including those covered under agreement to sell commercial space, etc. entered into with subsidiary/ coordinating companies, from the year of registration of the sale deeds of the property to percentage of completion method. Had the Company followed the earlier method of recognizing revenue in the year of registration of the sale deeds of the constructed property, revenue would have been lower by Rs. 146,946.47 lacs and accordingly profit before tax would have been lower by Rs. 66,069.05 lacs.
13. During the year, the Company issued 3,426,024 "2% Unsecured Optionally Convertible Debentures" to the share holders of the Company on a right basis, in the ratio of 1 debenture of Rs. 100 for each equity share of Rs. 10/- held. Further, vide resolutions passed in the meetings of Board of Directors held on March 28, 2006, and on March 31, 2006, except for 25 debentures, all such debentures were converted in to fully paid equity shares, at par, by issuing 10 equity shares for each debenture. As a result of conversion, the paid-up share capital of the Company increased by 34,259,990 equity shares of Rs.10/- each.
14. The Company is engaged in the business of colonisation and real estate development, which as per Accounting Standard 17 on "Segment Reporting" issued by the ICAI is considered to be the only reportable business segment. The Company is operating in the same geographical segment.
15. Events occurring after the Balance sheet date:
  - a) On April 17, 2006, the Board approved conversion of the balance 25, 2% Unsecured Optionally Convertible Debentures into equity shares, at par, by issuing 10 equity shares of Rs.10/-each for each debenture held.
  - b) On May 2, 2006, the Company issued seven bonus shares for each share held by the shareholders on record as on April 27, 2006 by utilizing its free reserves and share premium balance.
  - c) On May 2, 2006, the equity shares of face value of Rs. 10 each has been sub-divided in to five equity shares of Rs. 2/ each
16. Previous year figures have not been given as this is the first year that the Company has presented consolidated financial statements as per the transitional provisions of Accounting Standard 21 on "Consolidated Financial Statements" issued by ICAI.

#### On behalf of the Board of Directors

**Ramesh Sanka**  
Chief Financial Officer

**Hari Haran**  
Company Secretary cum Chief  
Executive (Corporate Affairs)

**Rajiv Singh**  
Vice Chairman

**K Swarup**  
Executive Director- Legal

**T. C. Goyal**  
Managing Director

Place : New Delhi  
Dated: May 2, 2006

For **Walker, Chandiok & Co.**  
Chartered Accountants

**Vinod Chandiok**  
Partner  
Membership No.: 10093  
Place: New Delhi  
Dated: May 11, 2006

## Details of Subsidiary Companies (2005-06)

(Rupees in Lacs)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Aadarshini Real Estate Developers Private Ltd.	Aloki Real Estate Developers Private Ltd.	Amishi Builders & Developers Private Ltd.	Anjuli Builders & Developers Private Ltd.	Avinashi Builders & Developers Private Ltd.	Beldon Home Private Limited	Dhyan Constructions Private Ltd.	Falguni Builders Private Limited	Kamini Home Developers Private Limited	Monishka Builders & Developers Private Ltd.	Dhoomketu Builders & Developers Private Ltd.	Ganika Builders Private Ltd.
(a) Capital	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
(b) Reserves and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(0.10)	(0.10)	(5.85)	(3.27)	(0.10)	(1.08)	(0.10)	(0.10)	(0.10)	17.56	(117.18)	(0.10)
(c) Total Assets (Fixed Assets + Investments + Current Assets)	0.93	0.93	502.94	800.94	0.93	1.15	0.93	0.93	0.93	28.68	63.22	0.93
(d) Total Liabilities (Loans + Current Liabilities)	0.03	0.03	507.79	803.21	0.03	1.23	0.03	0.03	0.03	10.13	179.40	0.03
(e) Details of Investments (except in case of investments in subsidiaries)	Nil	Nil	2.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Turnover (including Other Income)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	30.15	62.28	Nil
(g) Profit (Loss) before Taxation	(0.10)	(0.10)	(5.85)	(3.27)	(0.10)	(1.08)	(0.10)	(0.10)	(0.10)	27.56	(117.18)	(0.10)
(h) Provision for Taxation	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	10.00	Nil	Nil
(i) Profit (Loss) After Taxation	(0.10)	(0.10)	(5.85)	(3.27)	(0.10)	(1.08)	(0.10)	(0.10)	(0.10)	17.56	(117.18)	(0.10)
(j) Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Details of Subsidiary Companies (2005-06)**

(Rupees in Lacs)

	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
	Gulika Home Developers Private Limited	Rajika Estate Developers Private Ltd.	Sanchali Real Estate Developers Private Ltd.	Talika Real Estate Developers Private Ltd.	Trisha Real Estate Developers Private Ltd.	Tuhina Real Estate Developers Private Ltd.	Simbala Builders & Developers Private Limited	Valini Builders & Developers Private Ltd.	Umed Constructions Private Limited	Shrila Builders & Developers Pvt. Ltd.	Sumedha Home Private Limited	DLF Financial Services Limited
(a)	Capital	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	24.00
(b)	Reserves and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(0.10)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.10)	32.23
(c)	Total Assets (Fixed Assets + Investments + Current Assets)	0.93	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.93	56.69
(d)	Total Liabilities (Loans + Current Liabilities)	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.47
(e)	Details of Investments (except in case of investments in subsidiaries)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f)	Turnover (including Other Income)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	7.59
(g)	Profit (Loss) before Taxation	(0.10)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.10)	0.56
(h)	Provision for Taxation	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.05
(i)	Profit (Loss) After Taxation	(0.10)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.10)	0.51
(j)	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Details of Subsidiary Companies (2005-06)

(Rupees in Lacs)

	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)
	Ayushi Builders & Developers Private Ltd.	Beverly Park Maintenance Services Limited	Breeze Constructions Private Limited	Carlton Real Estate Developers Private Ltd.	Gyan Real Estate Developers Private Ltd.	Solid Buildcon Private Limited	Wellington Real Estate Developers Private Ltd.	Passion Builders & Developers Private Ltd.	Palliwai Developers Limited	Abhiraj Real Estate Private Limited	Ananti Builders & Constructions Private Ltd.
(a) Capital	1.00	5.00	1.00	1.00	1.00	5.00	1.00	1.00	5.00	1.00	1.00
(b) Reserves and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(6.68)	(316.52)	(17.69)	(0.13)	(24.22)	(2.15)	(0.13)	(6.81)	1,371.04	(0.10)	(0.10)
(c) Total Assets (Fixed Assets + Investments + Current Assets)	296.40	31,070.27	2,426.93	1.92	1,100.39	257.31	1.92	2.04	4,491.64	0.93	2.93
(d) Total Liabilities (Loans + Current Liabilities)	302.08	31,381.79	2,443.62	1.05	1,123.61	254.46	1.05	7.85	3,115.60	0.03	2.03
(e) Details of Investments (except in case of investments in subsidiaries)	2.00	0.33	Nil	Nil	Nil	253.50	0.75	Nil	Nil	Nil	2.00
(f) Turnover (including Other Income)	Nil	3.07	Nil	Nil	Nil	Nil	Nil	Nil	3,885.68	Nil	Nil
(g) Profit (Loss) before Taxation	(6.68)	(256.35)	(17.69)	(0.13)	(24.22)	(2.15)	(0.13)	(6.81)	2,151.17	(0.10)	(0.10)
(h) Provision for Taxation	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	780.00	Nil	Nil
(i) Profit (Loss) After Taxation	(6.68)	(256.35)	(17.69)	(0.13)	(24.22)	(2.15)	(0.13)	(6.81)	1,371.17	(0.10)	(0.10)
(j) Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Details of Subsidiary Companies (2005-06)**

(Rupees in Lacs)

		(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
		Eila Builders & Developers Private Limited	Jawala Real Estate Private Limited	Natwar Builders & Developers Private Ltd.	Nilima Real Estate Developers Private Ltd.	Diwakar Estates Limited	Nilayam Builders & Developers Private Ltd.	Kairav Real Estate Private Limited	Nilgiri Cultivations Private Limited	DLF Akruhi Parks (Pune) Limited	Edward Keventer (Successors) Private Limited	DLF Commercial Developers Limited
(a)	Capital	1.00	1.00	1.00	1.00	5.00	37.01	5.00	49.69	15.20	96.15	40.00
(b)	Reserves and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	(0.09)	(72.98)	(0.09)	(0.09)	111.39	31.64	(0.54)	1,362.23	(0.85)	(65.66)	21,605.69
(c)	Total Assets (Fixed Assets + Investments + Current Assets)	1.44	77,539.15	1.03	1,113.12	117.14	71.49	262.80	9,381.63	1,450.87	4,916.19	135,236.36
(d)	Total Liabilities (Loans + Current Liabilities)	0.53	77,611.13	0.13	1,112.21	0.75	2.85	258.34	7,969.71	1,436.52	4,885.71	113,590.67
(e)	Details of Investments (except in case of investments in subsidiaries)	Nil	Nil	Nil	Nil	Nil	47.96	1.60	1140.99	Nil	Nil	4034.14
(f)	Turnover (including Other Income)	Nil	0.05	Nil	Nil	1.27	4.96	1.93	355.66	3.22	36.56	52,350.83
(g)	Profit (Loss) before Taxation	(0.09)	(72.98)	(0.09)	(0.09)	1.21	4.81	0.09	57.95	0.92	35.73	27,052.59
(h)	Provision for Taxation	Nil	Nil	Nil	Nil	0.42	Nil	0.03	11.91	0.02	12.50	9394.32
(i)	Profit (Loss) After Taxation	(0.09)	(72.98)	(0.09)	(0.09)	0.79	4.81	0.06	46.03	0.90	23.23	17,658.27
(j)	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Details of Subsidiary Companies (2005-06)

(Rupees in Lacs)

		(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)
	DLF Housing and Construction Limited			DLF Home Developers Limited	DLF Info City Developers (Chandigarh) Limited	DLF Info City Developers (Noida) Limited	DLF Info City Developers (Kolkata) Limited	DLF Info City Developers (Bangalore) Limited	DLF Info City Developers (Chennai) Limited	DLF Info City Developers (Hyderabad) Limited	Bhorka Financial Services Limited	DLF Power Limited
(a)	Capital	5.00	100.00	248.92	4,000.00	5.00	5.00	5.00	5.00	5.00	20.14	6,932.00
(b)	Reserves and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	552.30	5,988.61	949.48	(729.11)	(2.32)	(1,503.16)	(5.17)	(122.76)	(2.25)	1,592.09	8,748.76
(c)	Total Assets (Fixed Assets + Investments + Current Assets)	1,609.72	99,603.38	4,722.85	13,007.71	153.13	22,154.42	7.12	9,841.96	8.06	2,026.86	46,913.90
(d)	Total Liabilities (Loans + Current Liabilities)	1,052.42	93,514.77	3,524.45	9,736.83	150.45	23,652.58	7.28	9,959.72	5.31	414.63	31,233.14
(e)	Details of Investments (except in case of investments in subsidiaries)	467.00	2.50	4.85	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f)	Turnover (including Other Income)	210.42	14,069.22	5,722.38	47.96	Nil	9.18	Nil	Nil	Nil	599.81	11,141.26
(g)	Profit (Loss) before Taxation	36.92	5,166.92	1,265.11	(629.59)	(2.32)	(1,488.14)	(5.17)	(122.47)	(2.25)	574.30	710.07
(h)	Provision for Taxation	7.60	1850.00	450.00	0.92	Nil	1.51	Nil	0.29	Nil	83.96	79.63
(i)	Profit (Loss) After Taxation	29.32	3,316.92	815.11	(630.51)	(2.32)	(1,489.65)	(5.17)	(122.76)	(2.25)	490.35	630.44
(j)	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Details of Subsidiary Companies (2005-06)

(Rupees in Lacs)

	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
	DLF Golf Resorts Limited	Shivaji Marg Properties Limited	Dalmia Promoters & Developers Limited	DLF Real Estate Limited	DLF Phase IV Commercial Developers Limited	VSK Investment & Finance Limited	Roadtech Constructions Private Limited	NewGen Med World Hospitals Limited	GKS Housing Limited	DLF Services Limited	DLF Estate Developers Limited
(a) Capital	40.01	5.00	10.00	5.00	40.00	5.00	74.03	5.00	5.00	780.36	5.01
(b) Reserves and Surplus (adjusted for debit balance in Profit & Loss Account where applicable)	66.14	0.69	(697.74)	(0.49)	1.05	(0.36)	484.24	(1.33)	19.47	772.41	142.36
(c) Total Assets (Fixed Assets + Investments + Current Assets)	7,429.24	6,857.62	1,212.89	154.80	42.53	18.30	700.98	42.58	167.84	7,512.38	667.75
(d) Total Liabilities (Loans + Current Liabilities)	7,323.09	6,851.93	1,900.62	150.29	1.48	13.66	142.71	38.91	143.37	5,959.61	520.38
(e) Details of Investments (except in case of investments in subsidiaries)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Turnover (including Other Income)	23.64	Nil	0.01	Nil	2.51	7.59	543.10	Nil	Nil	6,377.28	301.58
(g) Profit (Loss) before Taxation	16.83	(0.41)	(0.09)	(0.49)	2.26	0.60	542.28	(0.10)	(6.63)	688.85	(31.66)
(h) Provision for Taxation	6.14	Nil	Nil	Nil	0.80	0.18	122.08	Nil	0.01	508.45	(0.57)
(i) Profit (Loss) After Taxation	10.69	(0.41)	(0.09)	(0.49)	1.46	0.42	420.20	(0.10)	(6.64)	180.40	(31.09)
(j) Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### Notes :

The Ministry of Company Affairs, Government of India vide its letter No. 47/235/2006-CL-III, dated 24th May, 2006 has granted approval under section 212(8) of the Companies Act, 1956 for the financial year ended on 31.03.2006 whereby the Balance Sheet, Profit & Loss Account, Director's report and Auditors Report of the subsidiaries and other documents required to be attached under Section 212(1) of the Act are not required to be attached to the Company Accounts. Hence, the same are not being attached. However, the annual accounts of the subsidiary companies and the related detailed information will be made available to the members of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept open for inspection by any investor in its Registered Office and that of the subsidiary companies concerned.